



Notice is hereby given that a meeting of the Waste Advisory Group (WasteNet) will be held in the Southland District Council Chambers, 20 Don Street, Invercargill on Monday 2 September 2024, at 10.00 am.

Elected member representatives

Gore District Council

**Cr Keith Hovell (Chairman)
Cr Neville Phillips**

Southland District Council

**Mayor Mr Rob Scott
Cr Christine Menzies**

Invercargill City Council

**Cr Ian Pottinger
Cr Barry Stewart
Cr Peter Kett (alternate)**

Waste Advisory Group (WasteNet) - Public

02 September 2024 10:00 AM

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Public Excluded Session

Moved , seconded that the public be excluded from the following parts of the proceedings of this meeting, namely:

- a) Minutes of the Public Excluded Session of Waste Advisory Group Meeting Held on Monday 15 July 2024

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
a) Minutes of the Public Excluded Session of Waste Advisory Group Meeting Held on Monday 15 July 2024	<p>Section 7(2)(b)(ii) Protect the information where the making available of the information would be unlikely unreasonably to prejudice the commercial position of the person who supplier or who is the subject of the information</p> <p>Section 7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7</p>



Minutes of a meeting of the Waste Advisory Group (WasteNet), held in the Gore District Council Chambers, 29 Bowler Avenue, Gore on Monday 15 July 2024, at 10.05am

Present

Gore District Council

Cr Keith Hovell (Chair) and Cr Neville Phillips.

Southland District Council

Mayor Mr Rob Scott and Cr Christine Menzies.

Invercargill City Council

Cr Barry Stewart and Cr Ian Pottinger (via Zoom).

In attendance

Ms Fiona Walker, Director of WasteNet, General Manager Critical Services (Mr Jason Domigan, Gore District Council), Strategic Manager Water and Waste (Mr Grant Isaacs, Southland District Council) and Mr Russell Pearson, (Invercargill City Council, via Zoom).

1. APPOINTMENT OF DEPUTY CHAIRPERSON

Cr Hovell advised when WasteNet was established for the current triennium, Mayor Ben Bell had been appointed as Deputy Chair. Mayor Bell had since been replaced as the Gore District Council's representative by Cr Phillips. Cr Hovell questioned whether a deputy needed to be appointed. Cr Phillips thought in the event the Chair was unavailable then a replacement could be appointed on the day which was permitted under Standing Orders.

2. CONFIRMATION OF MINUTES

RESOLVED on the motion of Mayor Scott, seconded by Cr Phillips, THAT the minutes of the Waste Advisory Group meeting held on Monday 10 June 2024, as presented, be confirmed as a true and complete record.

3. WASTENET STRATEGIC PLAN EXECUTION AND ACTIVITY UPDATE

A report had been received from the Director providing an update to the Committee on progress with executing the WasteNet 2024/25 strategic plan and providing an overview of associated activities up until 1 July 2024.

Cr Pottinger questioned the workstream of meeting legislative requirements and projects, organics and glass out implementation actions. In response, the Director advised the previous Government had included specific requirements in the draft waste legislation and on this basis these were being progressed, such as the organics study. Other items shown, such as glass out, were regionally initiated projects but were still captured under the banner of legislative requirements and projects.

An update was provided by the Director regarding engagement of a consultancy to support the regional Waste Management and Minimisation Plan review.

In response to the Chairman, Mayor Scott advised the Southland District Council's consultation on its Long-term Plan had concluded and there had been mixed feedback regarding recycling. More information relating to Long Term Plan decisions would be forthcoming at the next meeting. The Chair noted the differing circumstances faced by the councils, including volume for Invercargill Council and geographic spread for Southland Council. Cr Pottinger did not think the Southland District needed to rush into making decisions about recycling given that kerbside collection may not be practical for their areas and thought collection centres may be a better option rather than bin collections. Cr Menzies added the feedback from ratepayers had been valuable to assist making a decision.

RESOLVED on the motion of Cr Menzies, seconded by Mayor Scott, THAT the report be received.

4. SOUTHLAND REGIONAL WASTE MANAGEMENT AND MINIMISATION PLAN REVIEW PROCESS SUMMARY

A report had been received from the Director providing an overview of the process and requirements associated with reviewing the Southland Regional Waste Management and Minimisation Plan (WMMP) which was scheduled to be completed in FY2024/25. The report also provided a summary of legislative requirements associated with revising the Plan, being the Waste Management Act 2008 and the Local Government Act 2002.

In response to the Chair, the Director explained the expected role of the Group in the review process. Cr Hovell thought it would be useful for all Councils to be invited to a meeting once the presentation to stakeholders had been completed. Cr Pottinger said while the WMMP was legislatively required, the Government was responsible for product stewardship and had the ability to enforce it. He had been a member of WasteNet for 14 years and there was still packaging being used that created problems for the waste stream. Organisations like WasteNet were the ambulance at the bottom

of the cliff. In response to Cr Menzies, the Director explained how the consultants had been selected to receive the Request for Proposal.

RESOLVED on the motion of Cr Stewart, seconded by Cr Menzies, THAT the report be received,

AND THAT the Waste Advisory Group endorse the replacement of the current Southland Regional Waste Management and Minimisation Plan 2020-2026 with a further joint waste management and minimisation plan for Southland.

5. WASTENET SOUTHLAND JOINT WASTE MANAGEMENT AGREEMENT REVIEW PROCESS

A report had been received from the Director providing an overview of the proposed process to review the WasteNet Southland Joint Waste Management Agreement which was scheduled to be completed in FY2024/25.

Mayor Scott questioned the need to engage an independent third party to undertake the review. He thought the Director was capable of conducting it. In response to the Chair, the Director said an independent person had been recommended to ensure impartiality, but she was able to undertake the review. Cr Pottinger asked why there needed to be interviews with the Mayor and Chief Executive of each Council. It was illogical to him and those who were involved with the detail needed to be involved. Cr Hovell thought having the Mayor and Chief Executive involved would offer an oversight from a strategic point of view. The General Manager Critical Services suggested each elected member involved with WasteNet be interviewed.

RESOLVED on the motion of Cr Menzies, seconded by Cr Phillips, THAT the review process be undertaken by the Director of WasteNet,

THAT face to face interviews be held with key stakeholders, being:

- Mayor and Chief Executive of the Gore District, Invercargill City and Southland District Councils.
- The Elected Members directly involved with WasteNet from each of the Gore District, Invercargill City and Southland District Councils.
- Relevant Council officers such as Group Manager(s) and Operation Manager(s) from each of the Gore District, Invercargill City and Southland District Councils.

THAT a facilitated session with each individual Council be held to review and gather feedback on the current Joint Agreement and desired future state,

AND THAT a consolidated report be presented to WAG summarising the key insights from the above and recommended next steps.

6. WASTENET EDUCATION AND COMMUNICATION ACTIVITY UPDATE

A report had been received from the Director providing an update on the education and communication activities undertaken by WasteNet staff until the end of June 2024. The purpose of the education and communication activities is to deliver a collaborative education programme across the Southland region to change behaviour, minimise waste and increase awareness.

In response to Cr Pottinger asking about bin inspections for the Invercargill area and whether they were doable, the Director said they were and needed to be resourced. Recommendations would be brought forward to the Advisory Group. In the early stages, it would be undertaken as a data collection exercise pending development of a Bylaw and education with the community to help them understand what the process would be and eventually what the implications would be. Information would be provided at the next meeting.

In response to Cr Hovell who asked if the Director was looking at the different groups in the community and recording what they were doing to support waste management and minimisation, the Director said that would form part of the organic feasibility study currently being undertaken. Groups would be involved along with how they interacted with the funding that WasteNet had. Cr Pottinger asked about commercial composting operators and whether they would be subject to ETS levies. The Director advised she was not aware of any requirements for composting operations as yet but would check.

RESOLVED on the motion of Mayor Scott, seconded by Cr Phillips, THAT the report be received.

Exclusion of the public

RESOLVED on the motion of Cr Hovell, seconded by Cr Menzies, THAT the public be public be excluded from the following parts of the proceedings of this meeting, namely:

- a) Minutes of the public excluded meeting of the Waste Advisory Group held on Monday 10 June 2024; and**
- b) Emissions Trading Scheme and AB Lime Unique Emissions Factor Overview.**

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
a) Minutes of the public excluded	Section 7(2)(h) Enable any local authority	Section 48(1)(a) That the public conduct

<p>session of the Waste Advisory Group meeting held on Monday 10 June 2024.</p>	<p>holding the information to carry out, without prejudice or disadvantage, commercial activities.</p> <p>Section 7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p> <p>Section 7(2)(b)(ii) Protect the information where the making available of the information would be unlikely unreasonably to prejudice the commercial position of the person who supplier or who is the subject of the information.</p>	<p>of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7</p>
<p>b) Emissions Trading Scheme and AB Lime Unique Emissions Factor overview.</p>	<p>Section 7(2)(b)(ii) Protect the information where the making available of the information would be unlikely unreasonably to prejudice the commercial position of the person who supplier or who is the subject of the information.</p>	<p>Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7</p>

The meeting concluded at 10.54am

WASTENET FINANCIAL RESERVES MANAGEMENT

To: Waste Advisory Group

Meeting Date: Monday 2 September 2024

From: WasteNet - Fiona Walker (Director)

Open Agenda: Yes

Public Excluded Agenda: No

Purpose and Summary

The purpose of this report is to provide an overview of historic trends relating to WasteNet's financial reserves (Reserve) and also forecast draw on Reserves in the short to medium term.

Recommendation

That the Waste Advisory Group:

1. Receives the report "WasteNet Financial Reserves Management".
2. Confirm any considerations and/or requirements pertaining to Reserve management that should be incorporated into the WasteNet Southland - Joint Waste Management Agreement review process.

Background

The Agreement between the councils for the governance and management of WasteNet is provided for via the WasteNet Southland - Joint Waste Management Agreement, known as the Joint Agreement. The Joint Agreement includes several clauses relating to financial management and decision-making, specifically Clauses 4.12.2, 4.12.10 and 6.36 – 6.41. Pursuant to Clause 6.38 of the Joint Agreement, all operational surpluses for any year shall, unless the parties agree otherwise, be retained by WasteNet as a WasteNet Reserve to be carried forward to subsequent years operational requirements. Pursuant to Clause 6.39 of the Joint Agreement, any shortfall in WasteNet funding shall be funded by the WasteNet Councils in such proportions, to be set as at 1 July in each year, as the WAG shall agree and failing agreement shall be pro rata on the basis of the population of each WasteNet Council as at 1 July.

WasteNet expenses and revenue are driven by the following factors:

- Volumes to landfill.
- Operating and administration expenses.
- Government policy and emerging legislation.

An annual budget for WasteNet is prepared each year and submitted to the Waste Advisory Group for approval, with progress updates reported thereafter during the financial year.

WasteNet Financial Reserves History and Forecast Draws

WasteNet holds only cash (current) assets and no long-term investments/assets. In accordance with Clause 6.38 of the Joint Agreement, any operating surpluses are accumulated and held as reserves.

Table 1 provides a summary of historical movements in the Reserves balance as well as activities which have been funded by the Reserves. For the period reviewed, the Reserve has increased by an average of \$315,530 per annum equating to an average increase of 33% per annum.

It is of note that in recent years, activities in the endorsed budgets have not been fully delivered which has had the effect of enlarging the actual year-end operational surplus when compared to the original budget. This is a result of actual staffing expenses being lower than forecast and also budgeted funds not being spent.

Table 1 - WasteNet Historical Reserves Movements (FY2018/19 - FY2023/24)

Year Ending	Year-End Reserve Amount	Reserve Spent On
30 June 2019	\$609,815	<ul style="list-style-type: none"> ▪ Contract negotiation costs ▪ Subsidising Landfill fees: Offsetting Emissions Trading Scheme (ETS) obligations
30 June 2020	\$852,452	~\$215,000 for subsidising Landfill fees: Offsetting ETS obligations
30 June 2021	\$1,171,949	-
30 June 2022	\$1,330,131	-
30 June 2023	\$1,871,934	-
30 June 2024	\$2,253,872 ¹	\$220,000 allocated for organics feasibility assessment and website development

Table 2 presents forecast growth of the Reserve amount up to 30 June 2029. Calculations are based on known activities which will draw on the Reserve coupled with the assumption that operational costs will be managed in accordance with the trend noted above (i.e. an average increase of \$315,530 per annum). Should there be significant reductions in landfill volumes and/or to the way the landfill gate fee is structured and/or costed, this will impact the forecasts presented in Table 2. Such shifts are likely to be a result of changes to the ETS, the Waste Minimisation Act and waste levy, and mandates under the New Zealand Waste Strategy (Te rautaki para).

Additionally, the Regional Waste Management and Minimisation Plan (WMMP) is due to be refreshed in 2024/25 and will solidify workstreams for the coming six years. It is likely that some of the identified WMMP activities will draw on Reserves, such as:

- Upgrade and/or commissioning of waste diversion and/or processing infrastructure,
- Improving hazardous waste management collection and storage facilities, and
- Upgrade of regional Transfer Station Landfill3000 software.

¹ Indicative value based on present account records rather than application of historic trend, noting that the draft FY2023/24 accounts have not been finalised nor subject to an audit process.

Table 2 – Forecast Draws on WasteNet Reserves and Corresponding Year-End Balances (FY2023/24 - FY2027/28)

Year Ending	Forecast Reserve Amount	Forecast Reserve Draw
30 June 2025	\$2,194,402	\$375,000 for WasteNet Joint Agreement review, WMMP & Waste Assessment, Bylaw development & contract renewals (confirmed via endorsed FY2024/25 budget)
30 June 2026	\$2,409,932	\$100,000 for Contract tendering / renewal process
30 June 2027	\$2,675,462	\$50,000 for Contract renewal implementation
30 June 2028	\$2,990,992	Currently there are no forecast draws for the 2027/28 year
30 June 2029	\$3,306,522	Currently there are no forecast draws for the 2028/29 year

WasteNet Reserves Management

As described previously, the Joint Agreement includes several clauses relating to financial management and decision-making, specifically Clauses 4.12.2, 4.12.10 and 6.36 – 6.41. Pursuant to Clause 6.38 of the Joint Agreement, all operational surpluses for any year shall, unless the parties agree otherwise, be retained by WasteNet as a WasteNet Reserve to be carried forward to subsequent years operational requirements. The Joint Agreement provides for how surpluses should be distributed, if resolved by the WasteNet Councils, however does not stipulate requirements for generally managing accumulated reserves nor for a baseline reserve value which should be maintained.

An element of note is that due to debtor payments being received after the 20th of the month, at times two months of outgoings need to be funded from cashflows before payment is received. In recent times, this value has ranged from \$850,000 up to \$1.85m. Actions have been taken to improve cashflow management and thus minimise this value, however having cash reserves available means that WasteNet is able to be self-funding and does not need to rely on credit for short-term cashflow shortfalls.

It is expected that criteria for Reserve management will be further examined as part of the Joint Management Agreement review which is being conducted at present and is due to be presented to the WAG for consideration in October 2024.

Attachments

None.

EMERGENCY RESPONSE SOLID WASTE PROVISIONS

To:	Waste Advisory Group
Meeting Date:	Monday 2 September 2024
From:	WasteNet – Fiona Walker (Director)
Open Agenda:	Yes
Public Excluded Agenda:	No

Purpose and Summary

This paper outlines current legislative requirements pertaining to solid waste management during emergency response and provides recommendations on the role of WasteNet in relation to these activities.

Recommendations

That the Waste Advisory Group:

1. Receive and endorse the report "Emergency Response Solid Waste Provisions".

Background

Emergency Response Legislative Requirements

Emergency Response is provided for by the Civil Defence Emergency Management Act 2002 (CDEM). The purpose of this Act is to:

- a. Improve and promote the sustainable management of hazards in a way that contributes to the social, economic, cultural, and environmental well-being and safety of the public and also to the protection of property;
- b. Encourage and enable communities to achieve acceptable levels of risk
- c. Provide for planning and preparation for emergencies and for response and recovery in the event of an emergency; and
- d. Require local authorities to co-ordinate, through regional groups, planning, programmes, and activities related to civil defence emergency management across the areas of reduction, readiness, response, and recovery, and encourage co-operation and joint action within those regional groups; and
- e. Provide a basis for the integration of national and local civil defence emergency management planning and activity through the alignment of local planning with a national strategy and national plan; and
- f. Encourage the co-ordination of emergency management, planning, and activities related to civil defence emergency management across the wide range of agencies and organisations preventing or managing emergencies under this Act and the Acts listed in section 17(3).

Schedule 1 of the Civil Defence Emergency Management defines Lifeline Utilities (i.e. critical infrastructure providers) as being energy, water, wastewater/sewerage, telecommunications

and roading sectors. At present solid waste services are not included in Civil Defence Emergency Management Schedule 1 and as such there are not legislative requirements to provide and co-ordinate solid waste services during emergency response. Rather, it is informally recognised that solid waste management forms part of the clean-up phase as opposed to the initial emergency response phase.

Proposed reforms intend to, amongst other elements, replace "Lifeline Utilities" with the term "Critical Infrastructure" which will potentially bring other sectors into the legislative framework, including solid waste. The timelines for such reforms are not yet established. It is expected that reforms may also incorporate learnings obtained from the independent review of emergency response for the Cyclone Gabrielle event.

Emergency Management Southland

Established by the four Councils in Southland, Emergency Management Southland is responsible for the delivery of Civil Defence and Emergency Management responses throughout Southland. Emergency Management Southland is responsible for the 24/7 operation of the Emergency Coordination Centre which facilitates planning and operational activity during an event.

As part of their operations, Emergency Management Southland co-ordinate a Southland Lifeline Utilities Steering Group which facilitates strategic thinking in relation to regional infrastructure resilience. The Steering Group includes representation from entities within the scope of Schedule 1 of the Civil Defence Emergency Management, as well as representation from each of the four Councils with staff roles that align with the activities listed in Schedule 1 of the Civil Defence Emergency Management.

Issues and Options

Resourcing

As detailed above, Emergency Management Southland has existing formal connections with the four Councils in Southland. Given that there are existing relationships with council staff and that solid waste services are not currently included in the scope of the Civil Defence Emergency Management Act, it is recommended that WasteNet provide advice and guidance only if or when called upon rather than allocating dedicated resourcing to emergency response and planning functions at present. Such on-demand support may include WasteNet staff providing input into individual council's business continuity plans or providing support for co-ordinating contractors during the clean-up phase of emergency events. This approach has worked historically, with examples including response to flooding events, as well as waste disposal during the *Mycoplasma bovis* outbreak in 2017/18 and the *Bonamia ostreae* (oyster) response in 2017.

It is however recommended that this position is reviewed should Schedule 1 of the Civil Defence Emergency Management Act be extended to include solid waste services and infrastructure.

Financial Planning

Advice from Emergency Management Southland's Principal Emergency Management Advisor is that it would be impractical and cumbersome to allocate WasteNet funds towards emergency response given the breadth and scale of scenarios which may arise. Funding considerations would also be influenced by the regional nature of WasteNet, as well as needing to consider the responsibilities of individual councils in comparison to WasteNet.

Further, it was noted that typically central government provided funding relief for emergency response so as to minimise the burden on local territorial authorities. On this basis, it is recommended that dedicated funding for emergency response is not allowed for by WasteNet, neither as a standard budget item nor as part of the Reserve. Rather, that funding is considered on a case-by-case basis depending on the scenario and requirements for each individual event.

Attachments

None.

WASTENET FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

To: Waste Advisory Group

Meeting Date: Monday 2 September 2024

From: WasteNet – Fiona Walker (Director)

Open Agenda: Yes

Public Excluded Agenda: No

Purpose and Summary

The purpose of this report is to provide the Waste Advisory Group (WAG) with an update on WasteNet's financial performance for the 2023/24 financial year.

Recommendations

That the Waste Advisory Group:

1. Receives the report "WasteNet Financial Report For The Year Ended 30 June 2024".

Background

The WasteNet Southland Joint Waste Management Agreement Clause 4.12.2 requires that the WAG are to:

Receive and approve financial monitoring reports as to the accounting between the WasteNet Councils in relation to the WasteNet Activities.

The following report outlines the draft financial performance and position of WasteNet for the year ended 30 June 2024. The information is still to be subject to standard audit processes and finalised thereafter. Once the final version of WasteNet's financial statements are completed, a copy will be distributed to the three Council stakeholders as well as the Waste Advisory Group.

Financial Report for Year Ended 30 June 2024

The following report outlines the draft financial performance and position of WasteNet for the year ended 30 June 2024.

	Actual (000)	Budget (000)	Variance (000)
Income			
Contracts	20,795	22,383	-1,378
Grants	56	0	56
Interest	64	9	55
<i>Total Income</i>	<u>20,915</u>	<u>22,392</u>	<u>-1,477</u>
Expenditure			
Regional Solid Waste Contracts	19,827	21,372	1,545
Administration	337	656	319
Communication / Education	226	393	167
Strategy and Policy	144	191	47
<i>Total Expenditure</i>	<u>20,533</u>	<u>22,612</u>	<u>2,079</u>
Surplus/Deficit	<u>382</u>	<u>-220¹</u>	<u>811</u>

¹ Forecast deficient to be funded via Reserves as per endorsed FY 2023/24 budget.

WASTENET
STATEMENT OF FINANCIAL PERFORMANCE
For the 12 months ending 30 June 2024

	2024 \$	2023 \$
Income		
Contracts	20,794,655	19,922,522
Grants	56,250	-
Interest	64,428	28,268
Income Total	20,915,333	19,950,790
Expenditure		
Contracts	19,826,809	19,140,781
Operational	706,585	268,206
Expenditure Total	20,533,394	19,408,987
Surplus/(Deficit)	381,939	541,803

WASTENET
STATEMENT OF FINANCIAL POSITION
As at 30 June 2024

	2024 \$	2023 \$
Assets		
Funds held by ICC	1,028,437	1,988,804
Debtors	1,295,001	
Accrued Revenue	1,586,329	2,163,249
Total assets	3,909,767	4,152,054
Liabilities		
Creditors	10,220	2,280,120
Accrued expenditure	1,602,008	
GST Payable	43,667	
Total liabilities	1,655,895	2,280,120
Equity		
Accumulated funds - Balance at 1 July	1,871,934	1,330,131
Total surplus for the year	381,939	541,803
Total equity	2,253,872	1,871,934
Total liabilities and equity	3,909,767	4,152,054

Commentary on the Financial Report for Year Ended 30 June 2024

Overall WasteNet income was 6.6% less than budgeted, with a total income of \$20,915,333 for the year. The FY2023/24 income amount included \$56,250 received from the Ministry for the Environment as a Levy Grant for the purpose of the Regional Organics Feasibility Study.

Actual expenditure for the FY 2023/24 year was under budget 9.2%, with a total expenditure of \$20,533,394 against a budget of \$22,611,824.

The Southland Regional Landfill received 4% less landfill material, equating to 2,442 tonnes, than budgeted. This impacted the Contracts business component for both income and expenditure.

With regards to expenditure on Administration, Communication / Education and Strategy / Policy activities, these elements were underspent by 49%, 43% and 25% respectively. This was largely due to vacancies within the WasteNet division, which meant that staff costs were less than forecast and activities were not completed as originally scheduled, thereby incurring less cost.

The surplus for the year of \$381,939 is slightly less than the FY 2022/23 surplus of \$541,803, with this result being most heavily influenced by the reduction in waste volumes as previously described.

Equity in WasteNet now totals \$2,253,872, which is an increase of \$381,938 on the FY 2022/23 year-end position.

PROPOSED PATHWAY TO WASTE SERVICE CONTRACTS PROCUREMENT

To: Waste Advisory Group

Meeting Date: Monday 2 September 2024

From: WasteNet – Fiona Walker (Director)

Open Agenda: Yes

Public Excluded Agenda: No

Purpose and Summary

A key role of WasteNet is to manage external contracts to provide safe, effective and efficient waste services to the Southland Region. It is WasteNet's role to ensure that the contracts and contractors are:

- Fit-for-purpose,
- Operating effectively and efficiently,
- Interfacing and interacting seamlessly,
- Providing value for money to the community, and
- Operating in alignment with national legislative waste management requirements

Two of the key waste service contracts for the Southland Region, held respectively by WasteNet and Invercargill City Council, are due to expire on 1 July 2027, being:

1. Kerbside Collection and Transfer Contract (C550) held with WasteCo by WasteNet.
2. Recyclables Acceptance Contract (C1057) held with Recycle South by Invercargill City.

This paper outlines the pathway to procuring new waste service contracts, including an overview of proposed process and timelines.

Recommendations

That the Waste Advisory Group:

1. Receives and endorses the report "Proposed Pathway to Waste Service Contracts Procurement".

Background

Current Contractual Arrangements

The three major waste contracts that are responsible for providing the levels of service to the community and their expiration dates are:

- Contract 550 Kerbside Collection and Transfer Station Services – This is under contract with WasteCo NZ Ltd. This contract was extended in 2019 by a further eight years and is in place until 30 June 2027.

- Contract 1057 Recyclables Acceptance Contract - While recycling is not currently being managed through the WasteNet Agreement, it is a key element of the waste service. The Recycling Services are under contract with Recycle South Ltd. The contract was renewed January 2022 and is in place until 30 June 2025 with an opportunity to extend by a further two years, thus potentially being in place until 30 June 2027.
- Contract 5/279 Southland Regional Landfill Services - This contract is for the regional landfill services. The WasteNet Councils have entered into a 30-year contract with the owner/operator, AB Lime Ltd. The Contract commenced in July 2003 and the exit dates are 15th, 25th and 30th years after the commencement date, thus potentially being in place until July 2033.

Proposed Pathway to Waste Service Contracts Procurement

Due to the scale and value of the waste service contracts, as well the joint governance approach of WasteNet, a detailed procurement plan is required. The proposed procurement plan is also structured to maximise visibility to the Waste Advisory Group and respective WasteNet councils so as to support regional alignment and cohesion. Table 1 provides a summary of the proposed pathway to procuring the waste service contracts:

Waste Advisory Group (WasteNet) - Public - Proposed Pathway to Waste Service Contracts Procurement (A5448180)

Table 1 - Proposed Pathway to Waste Service Contracts Procurement

		Milestone	Task / Project Description
2024	Aug.	Engage external technical procurement support	- RfP to technical waste specialist consultancies. Services will be supporting business case, contract design and evaluation processes.
	Sept.	<i>Proposed Pathway To Waste Service Contracts Procurement Paper to WAG</i>	- Overview of proposed process, including resourcing, budget and timelines
	Oct.	Expression of Interest to Contractors	- Opportunity to confirm number of contractors interested in submitting a tender, which may have a bearing on pathway. - Feedback from contractors to inform business case.
	Nov.	Due diligence on current contract performance	- Review and consolidate data available - Review and assess current contract performance - 3-month process
2025	Feb.	Commence Business Case process	- Service delivery options development and assessment. - Outputs: Recommended services to be procured, contract structure(s), tender process and evaluation structure. - 2-month process. <i>Note: Regional Waste Assessment due to WasteNet which will be used to inform this process.</i>
	Mar.	Procurement Plan	- Procurement Plan documentation and enactment as per council guidelines
	Apr.	<i>Business Case Outcomes Paper to WAG</i>	- Seek endorsement for proposed service outcomes and approach to procurement, including scoring criteria.
	Oct.	<i>Revised Business Case Outcomes Paper to WAG</i>	- Following local body elections, re-confirm endorsement for proposed service outcomes and approach to procurement, including scoring criteria.
	Nov.	Contract documentation development	
2026	Feb.	<i>Summary of Contract Structure Paper to WAG</i>	- Outline proposed contract structure(s).
	Apr.	Tender to Market	- 3-month process (Apr – June)
	Jul.	Tender Evaluations	- 2-month process (Jul – Aug)
	Sept.	Contract Negotiations	- 1-month process
	Oct.	<i>Proposed Award Contract Paper to WAG</i>	
	Dec.	Award contract(s)	- Allows 6 months to mobilise. Noted that dependent upon the scope of services, this may be insufficient and a bridging arrangement may be required.
2027	Jul.	C550 & C1057 expire 30 June 2027	

Resourcing Requirements

The WasteNet Director will be responsible for leading and co-ordinating the first portion of the procurement process, being the Business Case process, due diligence review and procurement planning. The WasteNet Contracts and Commercial Manager and/or Invercargill City Council Manager – Infrastructure Operations will be responsible for leading and co-ordinating the latter portion of the procurement process, being contract drafting, contractor engagement, negotiation and mobilisation. Alongside this, a Working Group will be formed with staff representation from Southland District Council, Gore District Council and Invercargill City Council to ensure that respective council's views are incorporated and that stakeholders are kept abreast of developments.

It is proposed that the Invercargill Procurement Team will support the procurement process. Accordingly, the Invercargill Procurement Policy (refer to Appendix One) will be utilised for this process.

Financial Implications

Activities displayed in Table 1 have been included in the FY2024/25 budget, specifically engaging external technical procurement support to assist with the Business Case and due diligence processes. This budgeting approach will be applied for the FY2025/26 and FY 2026/27 years. Accordingly, there are no unbudgeted financial implications at present.

Next Steps

Upon endorsement, WasteNet staff will initiate the procurement tasks as displayed in Table 1.

Attachments

Appendix One - Invercargill Procurement Policy 1 February 2022 (A5448182).



PROCUREMENT POLICY

01 February 2022

Scope

This policy covers activities associated with the purchasing of all goods and services by or on behalf of the Council. It applies equally to the Council, Community Boards, the management team, all departments and staff – permanent, temporary or contract, with the exception of;

- employment payments;
- grants, sponsorship and Koha payments;
- property transactions including purchasing and leasing of Council-owned property and the leasing of property to the Council;
- payments to government and regulatory bodies including all forms of taxation and levies;
- treasury and financial instruments; and
- court awarded and negotiated settlements.

Procurement Principles

The five principles that Council work with are:

Obtaining Value in the Expenditure of Public Money

Procurement outcomes that deliver the best value in the expenditure of public money ensures the optimal use of Councils resources. The policy framework promotes procurement practices that will result in best value for money outcomes.

A key principle of value for money is that ‘lowest price’ does not always represent the best outcome when evaluating alternative offers. When selecting a supplier, achieving value for money involves determining the extent to which the proposed solutions will deliver the optimum combination of whole-of-life cost and quality (non-cost) factors.

Factors which may be considered in assessing value for money include “The Four Local Government Wellbeing’s - Social, Economic, Environmental, Cultural” and in summary includes:

contribution to council priorities	social and sustainability objectives
quality and fitness for purpose	financial and operational soundness
efficiency and effectiveness	risk and opportunity
whole of life costs	service, support and warranty

The achievement of value needs to be considered within the context of creating 'community value' which may mean total cost will increase when sustainability and social issues are part of the evaluation process.

Ethical and Fair Treatment

Providing for ethical and fair treatment of participants refers to conducting all dealings with suppliers in an open, honest and impartial manner and respecting their rights and obligations. Council must seek to ensure this principle is reflected throughout the procurement process, particularly through;

- effective, concise and clear communication and provision of consistent information to all suppliers;
- open and competitive procurement processes (where practicable and appropriate);
- providing suppliers with equal opportunity to supply to Council;
- straight forward and user friendly market approach documents;
- clear and unambiguous evaluation criteria and methodology communicated to potential bidders;
- consistent processes and feedback on decisions; and
- access to a timely, effective and responsive complaints process.

Probity, Accountability and Transparency

Probity, accountability and transparency refers to ensuring the integrity of the procurement process and actions taken by Council employees and/or representatives. All procurement shall be undertaken in a manner that ensures council are accountable for their actions;

- adherence to the [Delegations Register](#);
- appropriate record keeping and documentation and the transparency of decision making;
- adherence to the Council Code of Conduct and project financiers (e.g. NZ Government; Agencies) integrity processes;
- the identification and management of actual or potential conflicts of interest; and
- the confidentiality of all commercial and private information.

Social Equity

Social Equity is a commitment to promoting diversity, acceptance, fairness, compassion, inclusiveness and access for people of all abilities. A focus is placed on citizens who are underrepresented and people with less opportunity. Social equity contributes to building stronger and more resilient communities. Depending on the nature of the procurement, Council will explore opportunities to engage social enterprises to provide works, goods and services.

The policy allows for but does not require social and sustainable procurement. Where practicable Council will utilise social and sustainable procurement approaches to support community wellbeing outcomes, with a particular focus on supporting local business, supporting disadvantaged groups and enabling improved environmental outcomes.

Fostering Local Business

Procurement activity should contribute to having efficient and cost-effective local suppliers that support a dynamic and innovative local economy. The Council will ensure advantages from local procurement are recognised and considered in procurement decisions, local businesses are encouraged to explore unique and innovative initiatives, social procurement initiatives are progressed to provide economic and employment opportunities to communities in the Council area. Where practicable, procurement processes should not limit opportunities for local suppliers.

Exceptions to this Policy

The Executive Leadership Team or if required the Chief Executive, may approve a variation from the requirements of this policy for an individual purchase process. This may be due to limited suppliers, specialist contractors / consultants or perceived low risk or value of the procurement process. Any person seeking alternative procurement must document;

- that the variation sought is in accordance with the principles detailed in the preceding Procurement Principles;
- the reasons for variation; and
- the level of risk to the Council's objectives in letting the contract, applying the Council's Risk Criteria.

Governance

The below table outlines the purchasing options Council can use:

ESTIMATED Dollar Value	Procurement Approach	Contracting method	Approval Mechanism
\$0 - \$20k Plus GST	Direct Appointment – One quotation/ Supplier Panel	Purchase Order Credit Card Existing contracts	Delegations Register
\$20k to \$100k Plus GST	Minimum of Three written quotes (if possible) / Supplier Panel	Purchase Order Existing or new contracts	Delegations Register
<p>For tenders estimated to be under \$200,000, responses can be emailed to ICCPurchasement@icc.govt.nz or uploaded via GETS the Government Electronic Tendering System. If the aim is to target local business for promoting local economic development then the Council Procurement email can be used.</p>			

ESTIMATED Dollar Value	Procurement Approach	Contracting method	Approval Mechanism
\$100k - \$200k Plus GST	Restricted or Open Market Tender / Supplier Panel	Tender Initiation Checklist with non-price weightings Contract Award Recommendation New or existing contract	Delegated Financial Register Group Manager Finance and Assurance and relevant GM recommends tender call and approves Tender Recommendation.
Council will advertise all tenders estimated to be \$200,000 or over on GETS unless otherwise recommended by the relevant GM and approved by GM Finance and Assurance.			
\$200k - \$500k Plus GST	Open Market Tender / Supplier Panel	Tender Initiation Checklist with non-price weightings Procurement plan Contract Award Recommendation New or existing contract	Delegated Financial Register Group Manager Finance and Assurance and relevant GM recommends tender call and approves Tender Recommendation
Over \$500,000 Plus GST	Open Market Tender	Tender Initiation Checklist Procurement Plan Full Tender Evaluation Plan Tender Recommendation (full version) New or existing contract	As above with CEO approval required and reporting to Council if Contract \$500,000 or more
Over \$5m Plus GST	Open Market Tender	As above and Probity Advisor / Probity Auditor recommended	As above and Probity Advisor Checklist completed or Probity Auditor appointed with Probity Auditor Report released prior to approvals. (GM Finance and Assurance / CEO to decide)
Council has the option to purchase from All of Government Contracts. Contracts New Zealand Government Procurement and Property			

Council Policies and Documents that Support this Policy

Requirement	Detailed in:
Long term plan	The Long Term Plan on the Council internet
Approvals	Financial Delegations
Risk Management	Risk Management Framework Policy and Process
Behaviour	Standards of Conduct - Code of Conduct Conflict of Interest Declarations
Process	Procurement Policy Appendix 1 - Managing Expectations Appendix 2 - Procurement Process Stages
Planning	Market RFX Initiation Template or Procurement Plan
Contract Templates	Where applicable, NZ Government or industry standard templates should be used. ¹
Procurement Processes	1) Procurement Manual 2) Procurement Plan 3) Tender Evaluation Plan 4) Purchase Approval Recommendation to Purchase

Reference Number:	A3479409
Effective Date:	1 February 2022
Review Period:	This Policy will be reviewed every three (3) years, unless earlier review is required due to legislative changes, or is warranted by another reason requested by Council.
Supersedes:	Nil.
New Review Date:	1 February 2025
Policy Owner:	Manager – Procurement

¹ [MBIE Procurement](#)
[Waka Kotahi \(NZTA\) Procurement](#)
[NZ Standards Contract Templates](#)
[Contract Templates : Terrace Publications](#)

Appendix 1: Managing Expectations

Managing individual groups expectations such as treaty partners, government requirements and recommendations and professional and business groups:

Group / stakeholder	Expectations
Mana Whenua (Treaty Partner)	<p>The role of Māori, and Ngāi Tahu (“Kāi Tahu”), as Takata Whenua, as represented by Waihōpai Rūnaka and Te Rūnanga o Awarua, as a partner of Council is recognised.</p> <p>The views of Mana Whenua will be considered in decision making on all matters through the Mana Whenua roles on Committees of Council, with a particular focus on matters impacting on their ancestral land, water, sites, Wāhi tapu, valued flora and fauna and other taoka, including cultural taoka.</p>
Auditor General	Auditor General has issued recommended guidance Procurement — Office of the Auditor-General New Zealand (oag.parliament.nz)
NZ Government (Broader Procurement Outcomes)	<ol style="list-style-type: none"> 1) Guide to Mastering Procurement, NZ Govt Procurement 2014. 2) Government Procurement Rules and specifically note number 16 “there are the secondary benefits that are generated from the procurement activity. These outcomes can be social, environmental, cultural or economic benefits, and will deliver long-term public value for New Zealand. Broader outcomes require consideration not only of the whole-of-life cost of the procurement, but also the costs and benefits to society, the environment and the economy”. 3) Waka Kotahi, New Zealand Transport Agency - Procurement Manual. 4) Sustainable Business Council 2019. Home - SBC
Emergency Response impacting Public	<ol style="list-style-type: none"> 1) A Civil Defence State Of Emergency provides the Controller with access to special powers (Refer Civil Defence Emergency Management Act 2002 s.85 and s.94). 2) Restoration of any core service to the Invercargill community as set out in S.11A of the Local Government Act 2002 as amended. 3) Assist any network utility operator as defined in s.166 of the Resource Management Act to immediately restore a network utility operation. <p>Quick guide to emergency procurement (MBIE)</p>
Council Controlled Organisations	Council Controlled Organisations may seek to access the Councils contracts and this maybe a specific requirement included in Council Contracts.
Construction Industry	Construction Industry Accord with Government. Home Construction Accord
Council Insurance brokers	Suppliers, Contractors and Consultants seeking to self-insure, limit their liability or transfer risk to the Council during the quotation / tender and negotiation process.
International Guidelines on Responsible	<p>International expectations to comply with recognised guidelines;</p> <ol style="list-style-type: none"> 1) ISO 20400:2017 Sustainable procurement — Guidanc;e 2) ISO 26000 Social Responsibility.

Group / stakeholder	Expectations
Business Conduct	The OECD Due Diligence Guidance for Responsible Business Conduct provides explanations of its due diligence recommendations and associated provisions and helps to avoid and address adverse impacts related to workers, human rights, the environment, bribery, consumers and corporate governance that may be associated with their operations, supply chains and other business relationships.

Council must fulfill its legal obligations including:

Obligation	Obligation detailed in
Confidentiality, Privacy and Conflicts of Interest	<ol style="list-style-type: none"> 1) Privacy Act 2020 2) Local Government Official Information and Meetings Act 1987 3) Confidentiality of Supplier Quotes and Tender bids 4) Managing Conflicts of Interest Guidance for Public Entities (Office of Auditor General 2007)
Legislative Compliance (additional to above)	<ol style="list-style-type: none"> 1) Building Act 2004 2) Commerce Act 1986 3) Construction Contracts Act 2003 4) Consumers Guarantees Act 1993 5) Contract and Commercial Law Act 2017 6) Electronic Transactions Act 2002 7) Fair Trading Act 1986 8) Food Act 2014 9) Health and Safety at Work Act 2015 10) Financial Reporting Act 1993 11) Official Information Act 1982 12) Land Transport Management Act 2003 13) Local Authorities (Members' Interests) Act 1968 14) Local Government Act 2002 15) Local Government Official Information & Meetings Act 1987 16) Official Information Act 1982 17) Public Audit Act 2001 18) Public Finance Act 1989 19) Public Records Act 2005 20) Sale of Goods Act 1908 21) Resource Management Act 1991
Local Government Act	<p>Local Government Act 2002 (section 14)</p> <p>In performing its role, a local authority must act in accordance with the following principles:</p> <ol style="list-style-type: none"> 1) a local authority should— <ol style="list-style-type: none"> a. conduct its business in an open, transparent, and democratically accountable manner and; b. give effect to its identified priorities and desired outcomes in an efficient and effective manner. 2) a local authority should undertake any commercial transactions in accordance with sound business practices; and

- 3) a local authority should ensure prudent stewardship and the efficient and effective use of its resources in the interests of its district or region, including by planning effectively for the future management of its assets; and
- in taking a sustainable development approach, a local authority should take into account—
- a) the social, economic, and cultural interests of people and communities;
 - b) the need to maintain and enhance the quality of the environment; and
 - c) the reasonably foreseeable needs of future generations.

Local Government Act 2002 (section 10 (b))

The purpose of local government is to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

Appendix 2 – Procurement Process Stages

The process outlined in this appendix is scalable to the value and risk of the procurement.

Renewal and extensions of any contract after expiry date or any increase in contract value must be approved as per the Delegations register. This includes the current contract value plus variation value being sought. At a minimum the approval must be the relevant GM and GM Finance and Assurance (or if required the relevant Council Committee) before any commitment to purchase is made.

Contracts with no expiry date are deemed to have expired.

Stage 1: Purchase Planning broadly consists of three stages outlined below.

1.1 Identify Council and Community needs

- Identify clear need linked to the Councils procurement objectives within the Long Term and Annual Plans.
- Review options to determine whether procurement is the best means to deliver a value for money outcome and if a contract already exists that can meet the need.
- Request contract number from Procurement.
- Identify key stakeholders and undertake internal and external consultation.
- Identify social procurement and sustainability goals. Some possible examples being;
 - diversity and disability targets e.g. Tangata Whenua & young people, people exiting correctional facilities & ex-offenders, lone parents, female workers (into male dominated roles), people who are not in employment or education or training, refugees, recently unemployed due to Pandemics, earthquake & other disasters);
 - business development e.g. local and regional business, small and start-up business, Māori business and businesses actively achieving diversity and disability targets; and
 - reducing carbon footprint e.g. energy efficiency and renewable resources, green vehicle strategies, building ratings, water use efficiency, recycling and waste management, steps taken to protect flora and fauna.
- Develop and approve a business case (if appropriate) - confirm availability of funds.

1.2 Plan Procurement Strategy

- Preliminary scoping of procurement requirements to identify outcomes, objectives and logistics/supply chain factors.
- Undertake preliminary analysis of supply market.
- Consider legislative, policy and probity requirements.
- Consult the procurement team and risk team for advice where required.
- Confirm and commit resource requirements for the procurement process.
- Identify and undertake briefing of potential suppliers as appropriate.

1.3 Prepare Procurement Plan

- Establish project team/evaluation team including procurement expertise.
- Develop initial risk management plan for procurement, project and capital works issues (update during the process).
- For high risk and high value strategic procurements undertake supply positioning.
- Complete and seek approval for procurement plan as per delegations register.

Stage 2: Supplier Selection broadly consists of six stages outlined below.

2.1 Develop Bid Documents including Specification

- Develop specification to identify outcomes, objectives and practical requirements.
- Ensure project timeline, standards of performance and codes of practice, incentives, disincentives and performance measures are in the specification.
- Develop tender timeline and milestones.
- Develop the invitation/market approach documents and clarify as necessary.
- Obtain relevant approvals to approach market.

2.2 Develop Evaluation Plan

- Develop and approve an evaluation plan, including criteria for evaluation, membership of evaluation team, and explanation of the selection process.
- Obtain and address conflict of interest (includes those who developed specification), prior to releasing formal market approach documentation to the market.
- Develop Transition Plan (if existing contractor / supplier in place) and include outline in documents released to bidders.
- Release documents to bidders.

2.3 Manage distribution and receipt of bids

- Invite responses selectively or by advertising the requirement in line with the procurement plan.
- Health and Safety will generally require registration with Sitewise for physical works.
- Undertake briefings and clarification of information with bidders.
- Receive, schedule and acknowledge responses and inform all bidders of the status of their responses through the process.
- Deal with late bids and non-conforming bids as appropriate.

2.4 Select preferred supplier/s including managing risk transfer and limitation of liability

- Evaluate bids according to evaluation plan (ensure calculations are checked)
- Clarify matters arising with bidders (including contract clause changes and limitation of liability, risk transfer or reduced insurance limits sought by bidder).
- Select and seek approval of preferred supplier/s.
- Prepare a negotiation plan (if required) and conduct negotiations.
- Prepare contract award recommendation and obtain financial delegation approval
- Notify successful supplier/s.

2.5 Develop and formalise contracts

- Negotiate contract including Performance Measures and Project Milestones.
- Negotiate Transition Plan (service and supply contracts) at to manage end of contract handover.
- Finalise Contract including guarantees, insurance certificates and bonds.
- Obtain delegation approval to execute the contract.
- Update risk management plan (where relevant handover to Project Manager) and if required update Council Risk Register.
- Commence contract implementation once contract is signed/executed.

2.6 Debrief market and other stakeholders

- Advise internal stakeholders of new contract and update Contract Register.
- Notify and debrief unsuccessful bidders upon request with feedback on their bids.
- Disclose contract award details in line with contract disclosure guidelines.
- Meet Public Records Act 2005 and any amendments records retention rules.

Stage 3: Contract Management broadly consists of five stages

3.1 Prepare to manage a contract

- Form contract management team and allocate roles and responsibilities for Contract Sponsor, Contract Manager and Contract administration.
- Complete and approve a contract management plan – update risk management plan.

3.2 Implement a contract management strategy

- Establish information and communication strategies for supplier/s and stakeholders.
- Monitor risks during the life of the contract.
- Establish and manage relationship with supplier/s and stakeholders.

3.3 Implement the contract

- Develop implementation plan if required and implement the contract in accordance with the contract management plan and/or implementation plan/strategy.
- Implement start-up or transition arrangements.

3.4 Monitor and maintain performance of a contract

- Monitor delivery and evaluate key performance indicators and project milestones to ensure value for money identified in the procurement process is achieved.
- Receive and review Contractors performance reports (hold meetings and develop action plans as required).
- Ensure all obligations under the contract are being met.
- Manage contract variations and contract extensions.
- Negotiate and manage issues relating to the contract.
- Maintain communication with all stakeholders on the performance of the contract.

3.5 Planning Contract expiration

- Review contracts due to expire to determine future requirements three to twelve months prior to expiry date.
- Finalise, amend, extend or terminate contract in accordance with contract including management of close-out, renewal or transition to a new contract. If contract value is increased the relevant delegation is determined by the new total contract value i.e. existing contract value plus increase in contract value.
- Evaluate the outcomes of the contract (specifically projects and capital works) and document and where measures or outcomes are not met in full.

WASTENET EDUCATION AND COMMUNICATION ACTIVITY UPDATE

To: Waste Advisory Group

Meeting Date: Monday 2 September 2024

From: WasteNet – Fiona Walker (Director)

Open Agenda: Yes

Public Excluded Agenda: No

Purpose and Summary

This report aims to update the Committee on the education and communication activities undertaken by WasteNet staff until the end of August 2024. The purpose of the education and communication activities is to deliver a collaborative education programme across the Southland region to change behaviour, minimise waste and increase awareness.

Recommendations

That the Waste Advisory Group:

1. Receives the report "WasteNet Education and Communication Activity Update".

Background

Part of the WasteNet Business Plan is to deliver direct education to our target groups which are identified as schools, residential and businesses. The aim is that all residents, schools and businesses in the Southland region will have a better understanding of waste minimisation, take voluntary actions to minimise waste and progressively transition to a circular economy.

The following workstreams form the **2024/25 Education and Engagement Activities**:

Status	School Education Activities	Residential & Community Education and Engagement Activities	Business Education and Engagement Activities
Underway / On-going	Waste Free Wanda (Two tours)	Advertising via Radio, Social Media and Digital	Organics Feasibility Study
		WasteNet Website: Phase II	
		Love Food Hate Waste Campaigns	
		Community Waste Minimisation Fund	
		Community Events / Fair	
Not Yet Initiated	Presence at ILT KidZone (July 2025)	General Media: Fridge magnets	Agri-waste drop-off scheme: Targeted engagement
		Bin Clips – Further distribution	
		Flytipping – Targeted education	Business Waste Reduction Audit Toolkits
		Bin Audits	Waste Reduction Toolkits
			Trade Shows / Events: Hokonui Culture Fest
Engagement and consultation regarding Waste Minimisation and Management Plan review			
Proposed	-	-	-
Complete		Plastic Free July Campaign	

School Waste Education Activities Update

Waste Free Wanda

Scope: Waste Free Wanda is an interactive stage show for early childhood and primary-aged children, written and performed by award-winning singer/songwriter Anna van Riel. It helps children learn how to reduce waste and discover tools that prevent us from relying solely on recycling to minimise waste.

Activity Status: Waste Free Wanda completed a tour in mid-July 2024 which included a public show at the Invercargill City Library in addition to the shows attended by the following schools:

- Rimu School
- Tokanui School
- Gorge Rd School
- West Gore School
- St. Mary's School
- Limehills School
- Heddon Bush School
- Ascot School
- Ascot Kindergarten

The tour reached a total of 945 tamariki and 135 parents/teachers from six kindergartens and the eight abovementioned schools. The tour also included a half-day day of workshops at the Enviroschools Hui held at Heddon Bush School.

The most recent tour brings the total number of tamariki reached in Southland to over 13,000 since the WasteNet and Waste Free Wanda collaboration began in 2020.

Planning for the next tour in October 2024 is now underway. Focus for the October tour is on smaller, rural schools who have not previously received the show, as well as delivering a show to kindergartens located in the Gore area.

Residential Education and Community Engagement Update

WasteNet Website

There have not been any significant alterations to nor outcomes from the WasteNet website upgrade programme of works further to the WasteNet Education And Communication Activity Update submitted to WAG in July 2024.

Love Food Hate Waste

Scope: Launched by WasteMINZ in 2016, Love Food Hate Waste NZ is supported by 52 councils across the country, including WasteNet, as well as by funding from the Ministry for Environment. Love Food Hate Waste provides educational material and co-ordinates events to minimise the amount of food waste going to landfill.

Activity Status: Data from Love Food Hate Waste and Ministry for the Environment (MfE) shows that over 12,901 tonnes of leftovers are wasted in New Zealand every year. In response to this, Love Food Hate Waste NZ launched an online digital "Leftovers Legends" campaign mid-August 2024. The campaign was designed to debunk commonly held myths about leftovers and provide recipes which use common leftover foods. The digital campaign material was circulated to each of the three WasteNet Council Communications Teams and utilised across various social media platforms.

Plastic Free July

Scope: Plastic Free July is an international campaign which encourages people to minimise plastic pollution through simple swaps and considered purchasing. The focus is on avoiding single-use plastics and hard to recycle products.

Activity Status: WasteNet engaged an external contractor, Ali Green, to hold an event on behalf of WasteNet at the Gore District Council library for members of the public on 24 July 2024. The workshop event delivered education on everyday purchasing choices which avoid plastic packaging and also on recycling options available to Gore residents. Pakeke Lions and CMC Contracting also had a presence at the event to answer questions about the services they provided to the Gore community. Approximately 30 members of the public attended the event.

Community Events

Scope: WasteNet seek to engage with the community and raise awareness around waste minimisation by having a physical presence at community events. These events are an opportunity to provide education material and answer specific questions from members of the community.

Activity Status: Based on the success of the abovementioned Plastic Free July event, Ali Green has been further contracted to deliver three *Waste Free Wednesday* community events in September 2024. Events are to be held in Riverton, Te Anau and Winton and will provide information similar to that detailed above.

Additionally, WasteNet contracted Ali Green to attend a meeting held by the Southland Woman's Club in August 2024. As requested by the Southland Woman's Club, the focus of the meeting was to explain the recent kerbside standardisation changes and requirements, and to answer specific questions their members had in relation to recycling.

Advertising: Radio, Social Media and Digital Media and Flytipping: Data Collation

There have not been any significant alterations to nor outcomes from the Radio, Social Media and Digital Media campaigns and the flytipping data collation programme of works further to the WasteNet Education And Communication Activity Update submitted to WAG in June 2024.

Community Waste Minimisation Fund

Scope: The WasteNet Community Waste Minimisation Fund is advertised and distributed once per annum. The Fund is intended to support activities which achieve waste reduction and/or diversion. Further, the aim is to support initiatives that complement and enhance existing programmes, address gaps or create new opportunities. The total value of the contestable fund is \$50,000 per annum.

Activity Status: Applications to the 2024 WasteNet Community Waste Minimisation Fund will open on 2 September 2024 and close on 11 October 2024. Targeted radio advertisements and digital media will be used to raise awareness of the Fund throughout September 2024. Applications will be assessed by the WasteNet panel, comprised of staff from the three Councils, and a paper with assessment outcomes will be presented to the WAG at the October 2024 committee meeting.

An Accountability Report was also received from the South Coast Environment Society, which received \$26,638.98 of funding from the 2023 WasteNet Community Waste Minimisation Fund for their "Completely Compost" project. The key aims of their project were to:

- Support households to keep organic waste out of the landfill by composting at home,
- Build a network of Community Compost Hubs where larger quantities of food waste can be composted and workshops could be held, and
- Train 'community compost champions to support their communities.

The Accountability Report confirms that the South Coast Environment Society have had a good level of engagement and interest for composting support, with four local 'Compost Champions' in Riverton having received training. They have been successful in installing subsidised compost bins within the Riverton area, including bins at local homes, schools, businesses, cafes and the campground, as well as establishing three community-scale pest-proof compost bins at the Aparima College's Community Garden to form their first Community Compost Hub. Similar hubs are underway at the Last Light Lodge in Tuatapere, Takitimu School and Waiau Area School. The project has also made supporting resources and education material available via online platforms and in-person at Community Markets. On this basis, it is considered that the South Coast Environment Society have been successful in delivering their project outcomes and effectively utilising the 2023 WasteNet Community Waste Minimisation Fund funding.

Business Waste Minimisation Education and Engagement Update

Organics Feasibility Study

Scope: WasteNet has commissioned a feasibility study to review organics collection and processing options for the Southland Region. This involves surveying and engaging with key stakeholders around current activities which produce and/or consume organics and potential options for recovering and/or processing organic material.

Activity Status: There have not been any significant alterations to nor outcomes from the Organics Feasibility Study further to the WasteNet Education And Communication Activity Update submitted to WAG in July 2024.

As an output of this feasibility study, Tonkin + Taylor will prepare an options analysis and feasibility report. Tonkin + Taylor staff are scheduled to present this report to the Waste Advisory Group in October 2024.

Attachments

None

WASTENET KEY PERFORMANCE INDICATORS UPDATE

To:	Waste Advisory Group
Meeting Date:	Monday 2 September 2024
From:	WasteNet – Davith Weerakoon (Waste Minimisation Data Officer)
Open Agenda:	Yes
Public Excluded Agenda:	No

Purpose and Summary

The purpose of this report is to present data on key performance indicators, including:

- Materials discarded rate,
- Waste volumes to landfill, and
- Diversion rate and recycling data.

This report provides an update for the FY2023/24 year as well as the first month of the FY2024/25 year, being July 2024, to the Waste Advisory Group in relation to WasteNet's waste performance.

For the Southland Region, the cumulative waste discarded through transfer stations to the landfill for the FY2023/24 year totalled 34,912 tonnes. This was 6% less than the FY2022/23 annual total of 37,191 tonnes. The waste discarded for the first month of FY2024/25 is 10% more (254 tonnes) than the same period of the FY2023/24 year.

The average contamination rate in recyclables collected via kerbside collection and public drop-off facilities was 18% for the FY2023/24 year. For the first month of the FY2024/25 year, being July 2024, the average rate of contamination in recyclables is 16%.

For the Southland Region, the regional materials discarded rate per person for the FY2023/24 year was 762kg/person, equating to 34% of material being diverted from landfill. The FY2023/24 year-end result is more than the FY2022/23 year-end result of 32% of material being diverted from landfill.

Recommendations

That the Waste Advisory Group:

1. Receives the report "Wastenet Key Performance Indicators Update".
2. Note the materials discarded, waste to landfill and diversion data and trends.

Background

The WasteNet councils have a statutory obligation to promote effective and efficient waste minimisation and management within the Invercargill City (ICC), Southland District (SDC) and Gore District (GDC) under the Waste Minimisation Act 2008.

WasteNet is currently operating under the Joint Waste Management and Minimisation Plan (WMMP) 2020-2026. Southland's Waste Minimisation and Management Plan sets a target that by 1 July 2026 Southland will have maintained a materials discarded figure of 650kg per person, comprising 40% diverted materials.

Issues

Regional Materials Discarded Rate

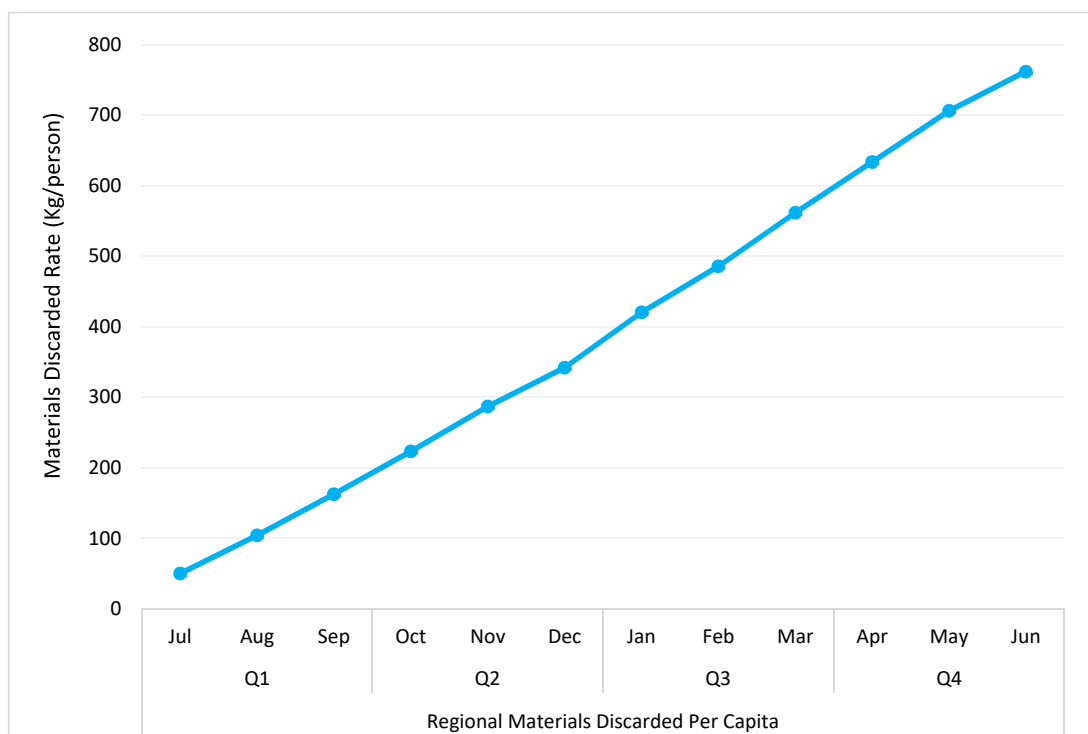


Figure 1: Southland Regional Materials Discarded Rate (FY2024/2024)

Waste Volumes to Landfill

- The total waste discarded through transfer stations to the landfill, all councils combined, for the FY2023/24 year was 6% (2,278 tonnes) less than the previous financial year of 2023/2023. The waste discarded for FY2023/2024 was also 2% below the previous 5-year average.
- The total waste discarded to landfill, including that from Authorised Users, for the FY2023/24 was 3% (161 tonnes) less than the tonnage discarded for the FY2022/2023 year.
- The cumulative waste to landfill, comprising that from transfer stations and Authorised Users, for the first month of the FY2024/25 year, being July 2024, is tracking 8% above the same period of the FY2023/24 year.

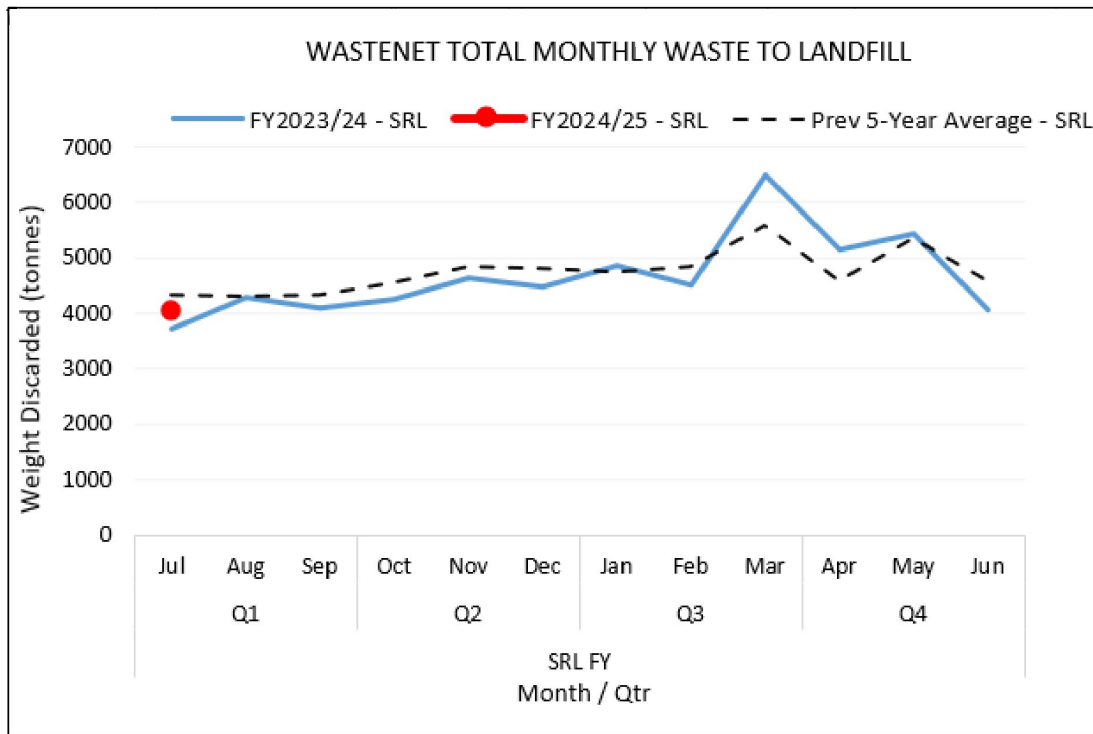


Figure 2: FY2023/24 WasteNet Monthly Waste to Landfill (including Authorised Users)

Table 1: Total Kerbside Waste Disposed to Landfill (Tonnes) - FY2023/24

Kerbside Waste Disposed in Red Bins	Q1	Q2	Q3	Q4	Year-End Total
ICC	2,488	2,867	2,754	2,510	10,619
SDC	1,657	1,933	2,006	1,869	7,466
GDC	633	638	588	657	2,515
Total	4,778	5,438	5,348	5,036	20,600
Contaminated Recyclables in Yellow Bins	Q1	Q2	Q3	Q4	Year-End Total
ICC	153	159	164	137	612
SDC	94	97	100	84	375
Total	245	256	264	220	988

Diversion Rate and Recycling Data

For the FY2023/24 year, a total volume of 18,222 tonnes was diverted from landfill, equating to a diversion rate of 34% for the year. This is 3.5% greater than the FY2022/23 result, however does not achieve the WMMP target of 40%.

Table 2 - Total Materials Diverted from Landfill including Recyclables – 2023/24 Year (Tonnes)

WASTE DIVERSION	Q1	Q2	Q3	Q4	Year-End Total
ICC - Cleanfill	96	124	173	118	511
GDC - Cleanfill	967	679	636	1,071	3,353
ICC - Green Waste	792	1,264	2,565	1,925	6,546
SDC - Green Waste	164	206	234	184	789
GDC - Green Waste	548	515	581	351	1,995
ICC - Metal	28	28	28	26	110
SDC - Metal	17	17	17	16	67
GDC - Metal	12	15	13	12	52
Total	2,623	2,849	4,249	3,703	13,424
Plastics (Recyclables)	Q1	Q2	Q3	Q4	Year-End Total
ICC	53	60	61	54	228
SDC	33	37	37	33	140
Total Plastics	86	96	98	87	367
Fibre (Recyclables)	Q1	Q2	Q3	Q4	Year-End Total
ICC	238	328	284	271	1,120
SDC	146	201	174	166	686
Total Fibre	383	529	458	437	1,807
Glass	Q1	Q2	Q3	Q4	Year-End Total
ICC	291	330	380	336	1,336
SDC	179	202	233	206	819
GDC	156	101	134	79	469
Total Glass	626	632	746	621	2,625
TOTAL MATERIALS DIVERTED	Q1	Q2	Q3	Q4	Year-End Total
ICC	1,498	2,133	3,490	2,730	9,851
SDC	538	662	696	605	2,501
GDC	1,682	1,310	1,365	1,513	5,870
Total Diverted (all councils)	3,718	4,106	5,551	4,848	18,222

Recycling Volumes Diverted:

- For the FY2023/24 year, the total volume of recyclable material processed from the ICC and SDC kerbside recycling collections combined was 4,506 tonnes. The FY2023/24 total was 4% below (204 tonnes) the FY2022/23 total.
- The total contamination sent to landfill from the recycling centre for the FY2023/24 year was 987 tonnes (averaging at 18%). As noted previously, this was an improvement on the FY2022/23 year-end contamination rate of 19%. For the first month of the FY2024/25 year, being July 2024/2025, the contamination rate was 16%.

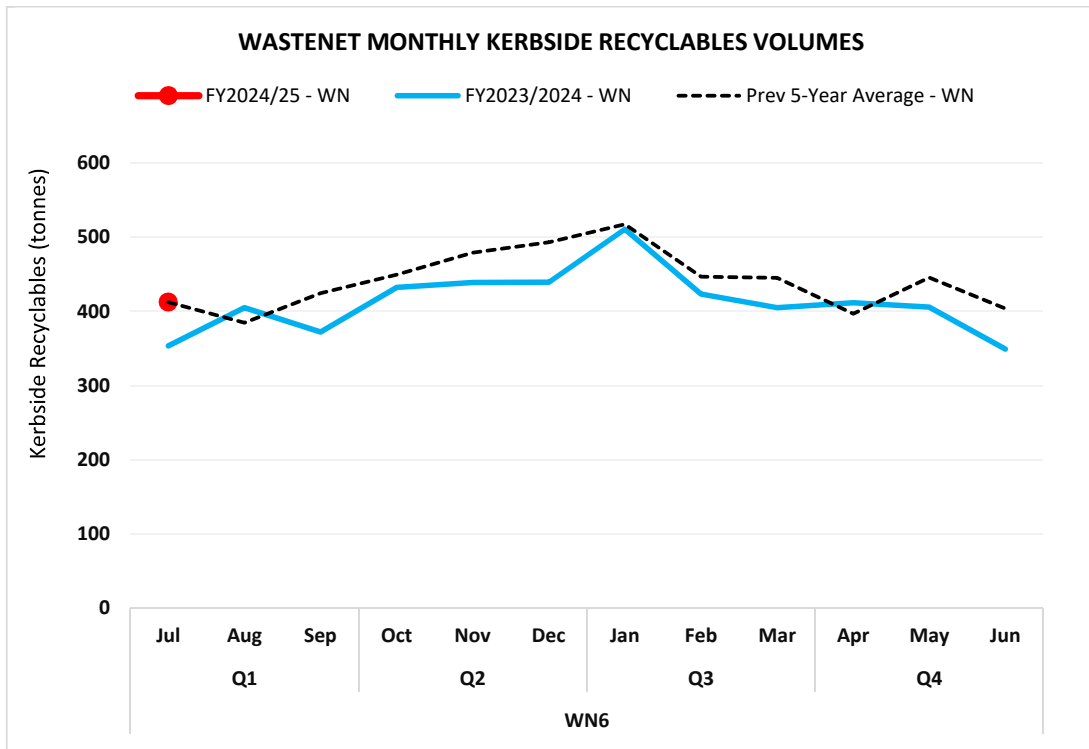


Figure 3: FY2023/24 WasteNet Monthly Kerbside Recyclables Volumes (T/month)

Waste Trends Analysis

Materials Discarded Rate and Waste Volumes to Landfill

The Materials Discarded Rate for FY2023/2024 exceeded the WMMP target of 650 kg per person by 112 kgs.

0.3% less waste was delivered to the landfill under the WasteNet Agreement during the FY2023/24 year in comparison to volumes received during the FY2022/23. This was due to an overall decrease in kerbside waste along with more materials being diverted from landfill. There has been a notable reduction in waste volumes generated across the region throughout 2023/24, however monthly trends have continued to generally follow historic seasonal patterns. The overall reduction in waste output is largely attributed to economic conditions which have resulted in reduced consumer expenditure and consumption, and thus waste generation.

WasteNet continues to invest in marketing and education programmes to drive behaviour change around waste minimisation, however it is recognised that this will be a gradual process.

Diversion Rate and Recycling Data

Following a slower upward trend since the beginning of the financial year, FY2023/2024 saw a slight decrease in the amount of kerbside recycling material. The total tonnage of recyclables decreased compared to the previous financial year, which mirrors the trend of a general reduction in overall waste materials being generated as described above.

Along with the decrease in the volume of kerbside recyclables collected, there was a decrease in the amount of contamination recorded in the recycling materials in FY2023/24 when compared to the previous financial year. This could potentially be a result of the public adjusting to the kerbside standardisation requirements which were introduced in February 2024; however, there is insufficient data available at present to validate this observation.

Attachments

None.

WASTENET STRATEGIC PLAN EXECUTION AND ACTIVITY UPDATE

To: Waste Advisory Group

Meeting Date: Monday 2 September 2024

From: WasteNet – Fiona Walker (Director)

Open Agenda: Yes

Public Excluded Agenda: No

Purpose and Summary

This report aims to update the Committee on progress with executing the WasteNet 2024/25 Strategic Plan and to provide an overview of associated activities up to 16 August 2024.

Recommendations

That the Waste Advisory Group:

1. Receive the report "WasteNet Strategic Plan Execution and Activity Update".

Background

The WasteNet 2024/25 Strategic Plan (refer to Appendix 1) overviews WasteNet's goals, target condition and performance indicators, as well as documenting the resulting work programme to achieve the target outcomes. Table 1 provides a summary of progress with implementing the WasteNet 2024/25 Strategic Plan as at 16 August 2024.

Table 1 - WasteNet 2024/25 Strategic Plan Execution Summary

Status	Number of Workstreams Due To-Date	Task / Project Description
Complete	5	<ul style="list-style-type: none"> - Development and endorsement of strategy; implementation; formalise reporting to Waste Advisory Group (WAG). - Establish regular linkages between WasteNet and SDC, GDC & ICC: Staff & Councils - Implement monthly financial tracking/reporting
In Progress	8	<ul style="list-style-type: none"> - Refresh WasteNet Southland Joint Waste Management Agreement - Regional Waste Assessment / WMMP review process - Recruitment: Community Engagement Officer - Implement business management systems & team KPIs - Pathway to 2027 Contract Renewals: Contract Deep Dives - Organics (food & green waste) assessment - Tyrewise scheme implementation - Glass out consultation & implementation
Overdue	0	N/A
Total	13	Overall it is considered that WasteNet is on track to deliver the FY24/25 Strategic Plan.

WasteNet 2024/25 Strategic Plan Activities Update

Workstream: Setting the Strategic Direction

Scope: This workstream ensures that there a clear direction for the FY24/25 year. The scope includes a workshop to set priorities and the resulting WasteNet 2024/25 Strategic Plan (the plan). Review of the WasteNet Southland Joint Waste Management Agreement was also included to ensure that there was regional alignment moving forward.

Activity Update: All tasks within this workstream have been completed as scheduled to-date, with the initial focus being the development, endorsement and implementation of the WasteNet 2024/25 Strategic Plan.

The secondary focus of this workstream is to refresh the WasteNet Southland Joint Waste Management Agreement, which is scheduled to occur in August to October 2024. In accordance with outcomes from the July 2024 WAG meeting, the review commenced in August 2024 and is being conducted by the WasteNet Director rather than by an external consultancy. Feedback on the current WasteNet Southland Joint Waste Management Agreement as well as wider WasteNet functions is being collected from stakeholders. Following this, facilitated workshop sessions are to be completed with each individual council in late September/early October. Once all feedback has been collected, a summary report will be presented to the WAG for consideration at the October 2024 meeting.

Workstream: Refreshing Southland's Waste Management Framework

Scope: This workstream is focussed on updating the framework WasteNet and the three Councils operate within. The scope extends to establishing a waste management and minimisation bylaw as well as workstreams associated with refreshing the regional Waste Management and Minimisation Plan (WMMP).

Activity Update: In July 2024, tenders were requested from consultants to support the regional waste assessment and WMMP refresh process. The contract was awarded to Eunomia Research and Consulting Ltd. The first phase of the 18-month WMMP refresh programme is to conduct a regional waste assessment, with this being due in the latter part of the 2024 calendar year. The purpose of the waste assessment is to collate and analysis data relating to waste and diverted materials which then provides a basis for determining a logical set of priorities and activities in the WMMP. The waste assessment process is prescribed by the Waste Management Act 2008 and includes:

- Analysis of the current waste situation,
- Information about waste services and infrastructure provided by territorial authority(ies) and others (e.g. private contractors),
- Forecast future demand for services, infrastructure and programmes,
- Analysis and summary of options available to meet the forecasted demands and desired outcomes, and
- Statement of proposals for meeting the forecast demands, including proposals for new or replacement infrastructure.

Workstream: Building and Streamlining WasteNet's Operations

Scope: This workstream encapsulates actions to ensure that WasteNet is operating effectively and efficiently as a shared business unit. Actions focus on financial management, staffing and operating systems.

Activity Update: Further to the update provided in July 2024, WasteNet has now revised the process for financial tracking and reporting against the endorsed 2024/25 budget. This enables more rigorous and timely financial management and is supported by a monthly review with support from the Invercargill City Council Finance Department staff.

In relation to recruitment, the Community Engagement Officer remains vacant. As noted in the July 2024 update, existing staff are supporting essential business as-usual activities and an external contractor, Ali Green, has been engaged to support specific projects as detailed further in the *WasteNet Education and Communication Activity Update* report.

On the basis of the above, it is considered that the tasks contained in this workstream are all generally on-track as scheduled.

Workstream: Pathway to 2027 Contract Renewals

Scope: Key service contracts, being the kerbside collection contract held with WasteCo and the recycling processing contract held with Recycle South are both due to expire mid-2027. This workstream includes actions to progress procurement in a timely and considered manner.

Activity Update: In preparation for upcoming milestones, staff met in July 2024 to identify roles and responsibilities as well as to map out in detail the actions required for the service contracts renewals workstream. Actions and considerations associated with the 2027 contract renewals are detailed further in the *Proposed Pathway to Waste Service Contracts Procurement* report. Upon endorsement of this report, WasteNet staff will move forward with the procurement tasks as laid out in the abovementioned report.

Workstream: Meeting Legislative Requirements and Projects

Scope: This workstreams includes actions items required to position Councils to meet pending or forecast legislative requirements, particularly those mandated by central government / Ministry for the Environment as well as improvement projects set at a regional level. For the 2024/25 year, focus areas include organics collection and processing, glass out recycling and tyre product stewardship (Tyrewise).

Activity Update: The three action items are in-progress, being the regional organics feasibility assessment, glass out consultation and implementation actions, and implementation of the Tyrewise Scheme.

The Regional Organics Feasibility Study is underway, as per the Wastenet Strategic Plan Execution and Activity Update submitted to the Waste Advisory Group in July 2024. As an output of this feasibility study, Tonkin + Taylor will prepare an options analysis and feasibility report. Tonkin + Taylor staff are scheduled to present this report to the Waste Advisory Group in October 2024.

In relation to the glass out action items, consultation is currently underway across the region, with Invercargill City Council and Gore District Council now having completed their processes and electing to defer glass out kerbside collection services. Further requirements and/or actions are to be confirmed pending Southland District Council consultation and deliberation outcomes, which were outstanding at the time of this report drafting.

The third action under this section of the WasteNet 2024/25 Strategic Plan is implementation of the regulated Tyrewise stewardship scheme. Tranche 2 in the regulations apply from 1 September 2024 whereby scheme participants will receive payments for the services they provide that involve end-of-life tyre movements, such as running a public collection site or transporting the tyres. A number of Transfer Stations within the Southland Region have registered to participate in the Tyrewise scheme, however further information is pending from TyreWise on how the scheme will operate on a practical basis. Once this information is confirmed, WasteNet will be able to determine how best to engage with public on the services provided and how to manage operational aspects, in association with WasteCo. As legacy stockpiles of tyres are not included in the scheme, this matter will continue to be monitored and further action taken to support landowners with legacy stockpiles and/or if the incidence of flytipping increases.


Follow-up / Parking Lot

Scope: The abovementioned workstreams were set as the priority for FY24/25 however it was recognised that there were a range of further items which should be monitored and/or implemented should resourcing allow.

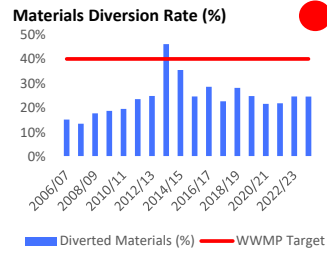
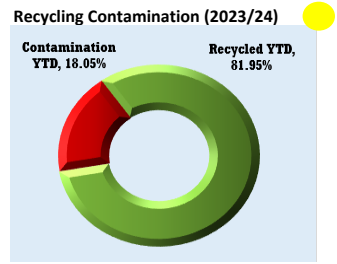
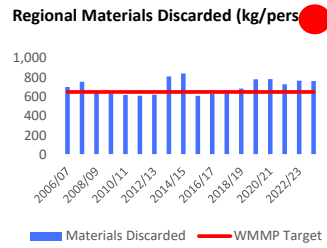
Activity Update: In relation to the item of "ETS fees / AB Lime Review", the *Emissions Trading Scheme and AB Lime Unique Emissions Factor Overview* report was presented to the Waste Advisory Group for consideration during the July 2024 committee meeting. Following this, a meeting with AB Lime and representatives from WAG, WasteNet and ICC has been scheduled to further progress these discussions.

Attachments

1. Appendix 1 - WasteNet 2024/25 Strategic Plan Update as at 16 August 2024 (A5510764)

WasteNet 2024/25 Strategic Plan		A5510764																																																																																																																																																																																																																																																																																																																																																																																																	
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Impact Monitoring: WasteNet 2024/25 KPIs



Reporting to commence for 2024/25 financial year

RECYCLING BIN INSPECTIONS AND ENFORCEMENT PROGRAMME REINTRODUCTION

To: Waste Advisory Group

Meeting Date: Monday 2 September 2024

From: WasteNet – Fiona Walker (Director)

Open Agenda: Yes

Public Excluded Agenda: No

Purpose and Summary

This paper outlines the proposed programme to reintroduce recycling bin inspections with associated enforcement action across the Southland region in FY2024/25. Detail of the paper extends to:

- Current kerbside recycling performance;
- Regulatory considerations for implementing a bin inspection programme and three-strike system;
- An overview of the bin inspection programme and supporting three-strike system; and
- The pathway for reintroducing bin inspections.

Bin inspections are intended to encourage positive behaviour change and minimise contamination in the recycling bins, thereby improving environmental outcomes and minimising costs incurred with disposing of contaminated recyclables.

Recommendations

That the Waste Advisory Group:

1. Receives and endorses the "Recycling Bin Inspections and Enforcement Programme Reintroduction" report.

Background

Current Kerbside Recycling Performance

The Southland Waste Management and Minimisation Plan (WMMP) sets a target of a materials discarded figure of 650 kilograms per capita comprising 40% diverted materials by 1 July 2026. As at 30 June 2024, the materials discarded rate for Southland was 762 kilograms per capita, comprising 34% diverted materials.

Between FY2019/20 and FY2022/23, the annual contamination rate in recycling material collected via the kerbside service and public drop-off facilities fluctuated between 19-20%. During the 2023/24 year, 5,494 tonnes of product was collected via the kerbside recycling service and the public drop-off facilities. Of this, 18% was contaminated, resulting in 988 tonnes of product being redirected to the landfill. At the FY2023/24 landfill gate fee of \$232.19, this equated to a direct cost of \$229,403.

There are also the non-monetary implications of having contaminated recycling, including making sorting and processing recycling more difficult and at times unpleasant or hazardous.

Historic monitoring data indicates that the current approach of solely focussing on education is not effective in driving behaviour change and improving kerbside contamination rates.

Regulatory Considerations

Upon request from WasteNet, Preston Russell Law provided a legal opinion in 2014 which confirmed that a bin inspection programme and three-strike policy could be implemented without a bylaw, provided that;

- If a red bin for general waste is provided by Council during a period of suspension of the yellow bin, ratepayers will be able to put their recycling into the red bin. Consequently Council will continue to meet its obligations to collect waste promptly, efficiently and at regular intervals under the Waste Management Act and can restrict the Service.
- A bylaw is not required where the enforcement of a breach does not require the bringing of proceedings in the High Court. Accordingly as Council can control whose bins are emptied through instruction to Council's contractor for the Service, Council is able to set a policy which will withhold the Service from a ratepayer without requiring a specific bylaw.

A copy of the 2014 Preston Russell Law report is appended to this report (refer to Appendix One).

Law firm Meredith Connell was engaged in 2024 to review the above and have confirmed the legal opinion is still accurate. A copy of the Meredith Connell review is included as Appendix Two to this report.

For context, it is important to note that WasteNet staff undertook periodic bin inspections across Southland historically between 2012 – 2016. It is understood that this programme was ceased due to resourcing and changes in staffing rather than due to regulatory obstacles.

Bin inspection programmes and supporting three-strike systems are exercised across New Zealand. Councils who utilise this approach include Dunedin City Council, Tauranga City Council and Auckland Council. It is also common for councils to implement such programmes for a set duration when there are sustained or elevated issues with contamination rates or when there are changes to services (i.e. introduction of a new kerbside bin), with Christchurch City Council having used this approach to address elevated contamination rates in 2020 and by various councils within the Waikato Region following the introduction of a new kerbside service in 2021.

Proposed Bin Inspection Programme

Upon request from WasteNet in 2023, Ahika Consulting provided an overview of standard bin inspection programmes, including considerations for the implementation of such a programme. A copy of this report is included in Appendix Three.

As noted in the Ahika Consulting report, to determine whether properties are compliant or not with kerbside recycling standards, kerbside recycling bins need to undergo some form of inspection. The most efficient inspection is for someone with gloves on to manually inspect the top-most contents of a recycling bin; this type of inspection of a recycling bin can immediately determine if there is contamination or not, the type of contamination, the level of contamination and the corresponding action for the level of contamination.

The Ahika Consulting report further details current best practice in relation to communicating with residents following an inspection of their recycling bin. This includes implementing a three-

strike system whereby tags are used to communicate to residents that their recycling bin material is compliant, needs focus or is significantly non-compliant. In the event that on-going non-compliance is identified for a property, the recycling bin will ultimately be removed for up to three months.

Alongside this, Recycle South conduct audits of recycling trucks as part of their current service contract. This process is established and involves segregates a truck's load as it is received, sorting and weighing material, and recording contamination. This information will be used alongside the bin inspections to identify areas with higher levels of contamination which may benefit from more frequent bin inspections.

Given that kerbside recycling of co-mingled materials is only offered in the Southland District Council and Invercargill City Council areas at present, it is proposed that inspections would initially be confined to these areas.

Pathway for Reintroducing Bin Inspection

For the programme to be accepted by and sustainable within communities, a staged introduction programme is being proposed by WasteNet, being:

1. Communication and Education

It is essential that communication with residents begins before commencing inspections and enforcement. As such, it is proposed that this education and communication element would be delivered for at least one to two months before starting any physical bin inspections.

This element would be focussed on communicating with residents that bin inspections are to commence, how the three-strike system will work and also to provide residents with information around what materials can and cannot be recycled so as to encourage correct recycling.

2. Bin Inspections and Education

To support a staged introduction, it is proposed that bins would be inspected without enforcing the three-strike system initially. Rather, as bin inspections identified issues and/or opportunities to improve recycling, educational information would be provided to that resident to encourage correct recycling. The information would also include details of the pending three-strike system and implications for the resident should their recycling performance not improve. Again, it is proposed that this phase would last for one to three months, depending on overall performance and initial community feedback.

3. Implementation of the Three-Strike System

As the final stage, the three-strike system would be implemented. This process is detailed in-depth in the appended Ahika Consulting report.

Issues and Options

Bin Inspector Resourcing

Provision has been included in the FY2024/25 budget for engaging an external contractor to undertake bin inspections. This is the preferred approach rather than employing a dedicated internal resource as there are efficiencies from having the inspector working directly with and under the remit of the collection contractor, with this model also ensuring continuity of service. The contractor will also be responsible for training and supervising their staff to ensure the required standard of service is delivered. On this basis, a quotation has been received from WasteCo, being the service provider who holds the kerbside collection and transfer station

management contract with WasteNet, to deliver bin inspections in FY2024/25. The quote includes:

- A vehicle provided for the bin inspector's transport
- Appropriate PPE for the role
- An iPad with the bin inspector app on it that records into Wastedge
- Annual leave days are covered for additional labour to continue the inspections
- Pricing is based on an 8-hour day of inspections

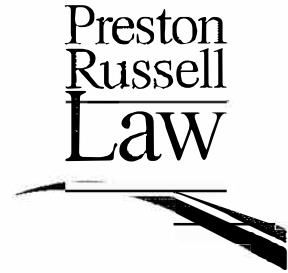
Next Steps

Upon endorsement from the Waste Advisory Group, WasteNet staff will proceed with engaging external support as detailed in the report and will commence with reintroduction of the bin inspection programme and three-strike system.

Attachments

1. Preston Russell Law 2014 Legal Opinion (A5510527)
2. Meredith Connell 2024 Legal Opinion (A5525496)
3. Ahika Consulting Report - Enforcing Recycling: Recommendations (A5510521)

A5510527



10 July 2014

Invercargill City Council
Private Bag 90104
INVERCARGILL 9840

FOR: Donna Peterson

Refer Warwick Cambridge
James Cambridge

**THREE STRIKE POLICY
OUR REFERENCE: 099000/695**

1. Background

- 1.1 The Invercargill City Council ("Council") provides waste collection services to the ratepayers. The waste collection service is provided in the form of one red bin for general waste and a larger yellow bin for recyclable waste (" the Service").
- 1.2 Some ratepayers are misusing the yellow recycling bin by putting items in the yellow bin which are not recyclable.
- 1.3 Council wishes to implement a three-strike policy (" the Policy") in relation to the use of the recycling bin to control the misuse of the yellow bins. The suggested policy is as follows:
 - a. On the first instance of non-recyclable material being put in the recycling bin the ratepayer receives a notice, a warning and an information pack of what is recyclable.
 - b. If, after the first warning is given, further non-recyclable material is found in the bin Council will provide a further warning and will not empty the bin until the non-recyclable material is removed.
 - c. If no change has occurred following the first and second steps, Council will withhold the service for a period of between 2-3 months.
- 1.4 You have requested our advice on whether:
 - a. Council is able to withhold the service from the ratepayers; and

Invercargill
45 Yarrow Street 9810
PO Box 355, Invercargill 9840
New Zealand

DX YA90011
P 03 211-0080
F 03 211-0079
E admin@prlaw.co.nz

Branches:
Queenstown
Te Anau
Wyndham

Partners: Warwick Cambridge, Gareth Davis, Doreen Evans, John Flaus, Russell Ibbotson, Russell Mawhinney, Sarah McKenzie, Mary-Jane Thomas, Sean Woodward, John Young.
Senior Associates: Nicola Elliot, Mike Milka.
Associates: Elizabeth Henry, Michael Morris.

JAHC-099000-695-1-V3

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- b. Council can put the Policy in place without requiring a by-law.
- c. Council may as an alternative or as part of the Policy issue an infringement notice and subsequently charge an infringement fee.

2. Can Council Withhold a Service?

2.1 We have considered Council's requirements for the provision of a waste service against the Waste Minimalisation Act 2008 ("the WMA"). Under the WMA,

- a. a territorial authority that provides a service that collects waste, or any person who provides a service that collects waste on behalf of a territorial authority, must do so promptly, efficiently and at regular intervals.
- b. 'waste' includes any thing disposed of or discarded and includes any type of waste as defined by its composition or source, e.g. organic waste, electronic waste or construction and demolition waste.

2.2 Council under the WMA has an obligation to collect waste. If a red bin for general waste is provided by Council during a period of suspension of the yellow bin, ratepayers will be able to put their recycling into the red bin. Consequently Council will continue to meet its obligations to collect waste promptly, efficiently and at regular intervals" under the WMA and can restrict the Service.

2.3 We have considered the risk associated with a ratepayer challenging the payment of rates for the Service when the Service is being withheld from them. In making the risk assessment we have considered two elements. These are

- a. the likelihood of a ratepayer challenging the rate; and
- b. if challenged, the likelihood that a court would conclude the rate was invalid.

2.4 A ratepayer may refuse to pay rates if they bring a proceeding in the High Court to challenge the validity of the rate on the ground that Council is not empowered to set or assess the rate on the particular rating unit (Section 60 of LGRA)

2.5 This means that Council can pursue unpaid rates as a debt due and the ratepayer cannot raise alleged invalidity unless that ratepayer has first brought High Court proceedings.

2.6 Council currently sets a targeted rate for the provision of the Service pursuant to the Local Government (Rating) Act 2002 ("the LGRA"). Under the LGRA:

- a. a targeted rate must be set to fund the specific activity or group of activities set out in Council's FIS (Section 16(1)(b)).

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- b. If the rate is not to be set on all-rating units in the Council's district, then the land subject to the rate must be identified by reference to one of the matters set out in Schedule 2 (Section 16(3)(b) and (c); and
 - c. The factor used to calculate the liability for the targeted rate must be either a fixed amount per rating unit or one of the factors set out in Schedule 3 (Section 18(1) and 18(2)).
- 2.7 Not all Council ratepayers are provided with the Service. We understand the rate is set as a uniform rate on those rating units which have the benefit of the Service.
- 2.8 Under Schedule 3 of the LGRA, the factors that may be used in calculating liability for targeted rates include the extent of the provision of any Service to the rating unit by the local authority, including any limits or conditions that apply to the provision of the Service.
- 2.9 If Council when considering the assessment of the targeted rate for the service includes as part of the factors it considers the potential that the provision of the Service maybe limited for a period of time (similar to charging penalties on overdue rates that must be advertised), this would reduce the risk of a person successfully arguing that the rate for the Service was invalidly set in relation to their rating unit.
- 3. Can Council Put in Place the Policy Without a By-Law?**
- 3.1 A bylaw allows Council to issue proceedings if a person is in breach of the Bylaw.
- 3.2 A bylaw is not required where the enforcement of a breach does not require the bringing of proceedings in the High Court.
- 3.3 Accordingly as Council can control whose bins are emptied through instruction to Councils contractor for the Service, Council is able to set a policy which will withhold the Service from a ratepayer without requiring a specific Bylaw.
- 4. Can Council Put in Place an Infringement Fee?**
- 4.1 We have considered Councils ability to issue Infringement Fees under the Litter Act 1979 ("Litter Act") and the Local Government Act 2002 ("LGA")
- 4.2 Under the Litter Act Council has ability issue infringement notice's where any person deposits any litter in a public place or in or on any private land without the consent of the occupier (Section 14 and 15 of the Litter Act).
- 4.3 Council has no ability under the Litter Act to set an infringement offence for any matter outside of Section 15 of the Litter Act, consequently Council cannot under the Litter Act set an infringement fee for ratepayers who put non-recyclable material in the yellow bin.

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- 4.5 Council has a general bylaw making power (Section 145 & 146 LGA), which includes the ability to make a bylaw regulating waste management. If a ratepayer breach's the bylaw Council may take enforcement proceedings by summary judgement in the high court.
- 4.6 Council can prescribe fees and charges (Section 150 of the LGA) however this does not extend to infringement fees.
- 4.7 Under the LGA the Governor-General has the authority to make regulations setting infringement offences and infringement fees (Section 259a LGA). There is no similar provision in the LGA giving Council the authority to prescribe infringement offences.
- 4.8 No regulations have been promulgated by the Governor-General prescribing infringement offences for the misuse of recycling bins, consequently Council has no authority to prescribe an infringement offence or an infringement fee for misuse of the recycling bins.
- 4.9 Council has a general power as a body corporate to charge and set fees for services provided (Section 12 of LGA). Council could consider setting a fee to recover the extra cost involved for emptying a recycling bin where the recycling bin contains non-recyclable material and subsequent disposal in the landfill ("the Fee").
- 4.10 Any Fee set out will need to be included in the Annual Plan.

5. The Law

- 5.1 Section 54 of the WMA provides as follows:

54 Waste must be collected promptly, efficiently, and regularly

A territorial authority that provides a service that collects waste, or any person who provides a service that collects waste on behalf of a territorial authority, must do so promptly, efficiently, and at regular intervals.

- 5.2 Section 5 of the WMA defines 'waste' as follows:

waste—

- (a) means any thing disposed of or discarded; and
- (b) includes a type of waste that is defined by its composition or source (for example, organic waste, electronic waste, or construction and demolition waste); and
- (c) to avoid doubt, includes any component or element of diverted material, if the component or element is disposed of or discarded

- 5.3 Section 16 of the LGRA provides as follows:

16 Targeted rate

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- I (1) A local authority may set a targeted rate for 1 or more activities or groups of activities if those activities or groups of activities are identified in its funding impact statement as the activities or groups of activities for which the targeted rate is to be set.]
- (3) A targeted rate may be set in relation to—
 - (a) all rateable land within the local authority's district; or
 - (b) 1 or more categories of rateable land under section 17.
- (4) A targeted rate may be set—
 - (a) on a uniform basis for all rateable land in respect of which the rate is set; or
 - (b) differentially for different categories of rateable land under section 17.

5.4 Section 18 of the LGRA provides as follows:

18 Calculating liability for targeted rate

- (1) The calculation of liability for a targeted rate set under section 16 must utilise only a factor or factors that—
 - (a) are identified in the local authority's [funding impact statement] as factors that must be used to calculate the liability for the targeted rate; and
 - (b) are listed in Schedule 3.
- (2) Despite subsection (1), the liability for a targeted rate may be calculated as a fixed amount per rating unit.
- (3) To avoid doubt, if targeted rates are set differentially, the rates concerned do not have to be calculated using the same factors for each category of land.

5.5 Schedule 3 of the LGRA provides as follows:

Factors that may be used in calculating liability for targeted rates

s 18

- 1 The annual value of the rating unit.
- 2 The capital value of the rating unit.
- 3 The land value of the rating unit.
- 4 The value of improvements to the rating unit.
- 5 The area of land within the rating unit.
- 6 The area of land within the rating unit that is sealed, paved, or built on.
- 7 The number of separately used or inhabited parts of the rating unit.
- 8 The extent of provision of any service to the rating unit by the local authority, including any limits or conditions that apply to the provision of the service.
- 9 The number or nature of connections from the land within each rating unit to any local authority reticulation system.
- 10 The area of land within the rating unit that is protected by any amenity or facility that is provided by the local authority.
- 11 The area of floor space of buildings within the rating unit.
- 12 The number of water closets and urinals within the rating unit.

Notes:

- 1 For the purposes of clauses 1 to 5, 8, and 10, **rating unit** includes part of a rating unit.

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- 3 For the purposes of clause 8, the extent of provision of a service to the land must be measured objectively and be able to be verified.

5.6 Section 15 of the Litter Act provides

15 Deposit of litter in public place or on private land

- (1) Every person commits an offence and is liable [[on conviction]], in the case of an individual, to a fine not exceeding \$5,000 or, in the case of a body corporate, to a fine not exceeding \$20,000, who deposits any litter or, having deposited any litter, leaves it—
- (a) in or on a public place; or
 - (b) in or on private land without the consent of its occupier.]

5.7 Section 2 of the Litter Act provides

Infringement offence means any offence specified under section 15(1) of this Act:

5.8 Section 145 and 146 of the LGA provides

145 General bylaw-making power for territorial authorities

A territorial authority may make bylaws for its district for 1 or more of the following purposes:

- (a) protecting the public from nuisance;
- (b) protecting, promoting, and maintaining public health and safety;
- (c) minimising the potential for offensive behaviour in public places.

146 Specific bylaw-making powers of territorial authorities

Without limiting section 145, a territorial authority may make bylaws for its district for the purposes—

- (a) of regulating 1 or more of the following:
 - (ii) waste management

5.9 Section 150 of the LGA provides as follows

150 Fees may be prescribed by bylaw

- (1) A local authority may prescribe fees or charges payable for a certificate, authority, approval, permit, or consent from, or inspection by, the local authority in respect of a matter provided for—
- (a) in a bylaw made under this Act; or
 - (b) under any other enactment, if the relevant provision does not—
 - (i) authorise the local authority to charge a fee; or

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- (ii) provide that the certificate, authority, approval, permit, consent, or inspection is to be given or made free of charge.

6. Summary

- 6.1 Council can withhold the collection of recycling if a red bin for general waste is provided. We recommend that prior to withholding the Service Council publically notify the ratepayers and take into account when setting the targeting rate for waste collection the potential for the Service to be limited.
- 6.2 Council does not require a bylaw to withhold the Service. As Council controls the provision of the Service, Council may set the proposed policy internally, although as set out above we recommend this is publically notified.
- 6.3 Council does not have the statutory authority to set misuse of the yellow recycling bin as an infringement offence.
- 6.4 Council may consider setting a Fee to recover the extra cost of emptying a recycling bin which contains non-recyclable material and disposing of that material. This Fee would need to be included in the Annual Plan.
- 6.5 Consequent on our conclusion in paragraph 6.4 we have not reviewed the likelihood of a Fee as set in paragraph 6.4 being challenged, or the process Council would need to take to recover the Fee.

Yours faithfully
PRESTON RUSSELL LAW



Warwick Cambridge / James Cambridge

Partner / Solicitor

E: warwick.cambridge@prlaw.co.nz

E: james.cambridge@prlaw.co.nz

DDI: 211 0924

A5525496

From: David Collins – Meredith Connell
Subject: Legal Opinion Review

Legally privileged and confidential

Kia ora Fiona,

Thanks for your instructions in respect of this matter. By way of email dated 1 August 2024, you advised us that WasteNet, on behalf of the Invercargill District Council, Southland District Council and Gore District Council (**Councils**), is preparing to reintroduce a recycling bin inspection programme (the **Recycling Programme**) in respect of its waste collection services (**Service**). We understand the Service includes providing both a red bin for general waste and a larger yellow bin for recyclable waste. You explained that the Recycling Programme will include a 'three-strike system' whereby continued non-compliance will result in the yellow recycling bin being removed from the rate payer's residence for a period of 3 months.

Instructions

You asked us to review a 2014 legal opinion prepared by Preston Russell Law which provided advice to Invercargill City Council (**ICC**) in respect of the Recycling Programme when this was introduced in 2014 (**2014 Advice**). In summary, the 2014 Advice concluded in respect of the Recycling Programme:

1. ICC can withholding the collection of recycling if a red bin for general waste is provided. They recommended publicly notify the policy to ratepayers and take into account when setting the targeted rate.
2. ICC does not require a bylaw to withhold the service as it controls the provision of the service.
3. ICC does not have statutory authority to set misuse of yellow recycling bins as an infringement offence, but can set a fee to recover the extra costs of emptying a recycling bin which contains non-recyclable material.

You have asked us to consider whether the conclusions in 1 and 2 are still correct (not 3), and provide emailed advice to confirm whether the 2014 Advice is still fit for purpose. You have asked us to base our review on your emailed instructions and the 2014 Advice, without reference to any existing policies or bylaws in place in relation to the Councils.

Our advice

In short, we agree with the conclusions reached in 1 and 2 above, subject to the following:

1. We have reviewed relevant provisions referred to in the 2014 Advice and case law, and have not identified any material changes to the application or interpretation of the statutory provisions that would impact the conclusions reached. The first two strikes do not involve any change to the Service, and therefore do not infringe upon s54 of the Waste Minimisation Act (**WMA**). The third strike involves the service continuing with respect to the red bin (General Waste) but not the yellow bin (Recycling). We concur with the authors of the 2014 Advice that applying the 'three strikes policy' should not breach s54 of the WMA, provided the Councils continue to maintain the Service in respect of red bins containing general waste. There is the possibility of the policy being judicially reviewed on the basis that it is invalid as against s54 of the WMA, however we do not consider that to be a likely risk. We also note the 'three strikes policy' is not novel, and is being implemented in other

parts of the country, including Auckland Region and South Waikato District. Details of these comparable policies are outlined below for reference.

2. While we agree that, in a strict sense, a bylaw is not required to implement the 'three strikes policy', we would strongly recommend that the policy is supported by a bylaw to give it effective regulatory backing, to facilitate public engagement, and to reduce legal risk. It is notable that both South Waikato District and Auckland Region's policies are supported by bylaws. A bylaw empowers a Council to issue warnings, bylaw notices, and in a serious case to prosecute. Such mechanisms serve to deter, and in some cases punish, non-compliance. The adoption of a bylaw will also allow engagement with the public through the special consultative procedure (SCP), which gives greater legitimacy to the 'three strikes policy' and educates the public on the purpose of the Recycling Programme, and what objectives the Councils are trying to achieve on behalf of the community. The process also serves, to some extent, as a means of gauging public sentiment in respect of what is proposed and to achieve a level of buy in to the policy. If the Councils decide to proceed with the policy without a bylaw (not recommended), we agree with the comment in the 2014 Advice that the 'three strikes policy' is publicly notified, and that the Councils consider consulting on that policy before adopting it in accordance with the principles in s82 of the Local Government Act 2002. As we understand the Councils are supportive of adopting a bylaw in any case, we have not assessed the nature of consultation in respect of the policy in greater detail.

Comparable policies by other Councils

South Waikato District Council

South Waikato District Council (SWDC) is introducing a "Three Strikes and You're Out" system as part of a new waste collection service. The system applies to the recycling bin and glass grates and is articulated as follows:

1. With the Three Strikes system, the **first**-time recycling contamination is noted, a yellow sticker will be stuck on your wheelie bin, reminding the resident of the recycling rules.
2. The **second** time recycling contamination is noted, an orange sticker will be stuck on your wheelie bin. You will also receive a visit from a Council officer to have a chat about the contamination in your wheelie bin. This visit will assist you on your recycling journey. The orange sticker and visit will highlight that if a third strike happens, your recycling collection service will be suspended for twelve weeks (six collections).
3. The **third** time recycling contamination is noted at your address, a red sticker will be stuck to your wheelie bin. You will also receive a letter explaining that your recycling collection service (not rubbish collection) has been suspended for a period of twelve weeks.

The regulation of the system falls within the scope of SWDC's [Solid Waste Management and Minimisation Bylaw 2021](#). Clause 7.18(e) empowers SWDC to specify controls for the types of waste that a prohibited when collecting, transporting or disposing of waste "from any property".

Auckland Council

Auckland Council is in the process of implementing a "graduated" approach to waste collection and will enforce this through an accompanying bylaw. On 11 April 2019, the Regulatory Committee recommended the adoption of the [Waste Bylaw Statement of Proposal](#) for public consultation and to appoint a panel. It gave the following example of what a "graduated" approach to compliance might look like with respect to kerbside collection and hazardous waste disposal:

Breach one – bins get rejected, educational red tag is attached, and a warning letter is sent to a resident identifying waste contamination issues

Breach two – bin gets rejected and a second warning letter is sent

Breach three – bin is removed and waste collection service is suspended. The resident must sign a Reinstatement Agreement Form to reactivate the service and the bin is checked by council for the next three collections

In June 2024, [Newshub reported](#) that the trial phase of the approach had already resulted the confiscation of bins across 87 households in Auckland.

Next steps

Let us know if you require any clarification regarding the above advice. As discussed we are also happy to assist you in respect of the development of a waste bylaw, if that is of interest.

Happy to discuss.

David Collins

Rōia Whakarae Matua | Senior Associate

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Ahikā Consulting

Rooms 6 & 7, Level 3,
2 Dowling St, Dunedin 9016

PO Box 1320, Dunedin 9054

info@ahika.co.nz

www.ahika.co.nz

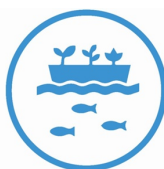
Enforcing Recycling: Recommendations

Gore District Council

Date: 24 November 2023



BIODIVERSITY AND
RESTORATION



FRESHWATER, FOOD,
FARMS, AND FOREST



COMMUNITY AND
CLIMATE



ENERGY, CARBON,
AND WASTE

Report prepared for client by Niki Bould

Report reviewed by Sharon Teavae

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2 Dowling Street
Dunedin 9016
New Zealand

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1 Background

WasteNet have approached Ahikā to prepare a report regarding how to enforce kerbside recycling.

WasteNet's Waste Management and Minimisation Plan (WMMP) must be renewed in 2026. Ahikā will determine if it is possible to amend the WMMP, prior to this date, to include a statement regarding how to enforce recycling for a problematic property. Ahikā will explore how this must be done and what other avenues are available for WasteNet to enforce recycling at the kerbside.

2 Waste legislation reform

The Ministry for the Environment (MfE) is currently updating the existing Waste Minimisation Act 2008 and the Litter Act 1979. This upcoming legislation aligns with various significant initiatives, including the waste strategy and actions outlined in the Emissions Reduction Plan.

The proposed legislation seeks to enhance existing regulatory powers for the management of products and materials, introducing new regulatory capabilities. These include the authority to implement product bans, landfill bans, mandatory recycling measures, environmental performance standards, provision of information on environmental performance, and the establishment of extended producer responsibility.

A fundamental shift in monitoring and enforcement strategies is anticipated under the new Act. It will feature improved provisions for record-keeping and reporting obligations, ultimately enhancing the accessibility of waste and resource recovery data. A modern and effective compliance regime, encompassing both civil and criminal enforcement tools, will be implemented.

Cabinet decisions have already been made regarding several aspects of the new legislation, with further advice pending on specific topics. The Parliamentary Counsel Office will subsequently draft the legislation based on the decisions already made and those yet to come. Anticipated for late 2023 or early 2024, the MfE expects to introduce the draft Bill to the house. Subsequently, a feedback opportunity will be provided during the select committee process. The aim is to enact the legislation in 2025.

The new Act will also incorporate regulation-making powers, with the use of these powers subject to a standard regulation-making process, including public consultation.

3 Enforcing recycling

Research suggests that enforcing recycling is not a bylaw issue; rather it is a condition of providing the service to the householder.

Therefore, the process employed to enforce recycling could be:

- Create an educational plan about recycling.
- Create a plan to enforce recycling.
- Disseminate the education and enforcement plans widely.
- Implement the recycling bins.

These areas are explored in further detail below.

3.1 Create an educational plan

It is essential that communication with residents begins before implementation of recycling. For most residents there is a lack of understanding as to what items can be recycled and why, versus what items cannot be recycled and why not. Communicating with residents prior to implementation will help increase their engagement with recycling.

3.1.1 Materials accepted for kerbside collection

From 1 February 2024, materials accepted in household kerbside recycling will be standardised by the MfE (Figure 1).

Materials must be clean; for containers that previously held liquids, pastes, ointments or similar, this means empty and rinsed (MfE 2023, p.9).



Figure 1: Standard materials list for household kerbside recycling from MfE

3.1.2 Rationale for materials accepted for recycling

The materials accepted by MfE for recycling can be processed and sorted efficiently, and they are unlikely to contaminate other recycling, nor affect the health and safety of people collecting or sorting recycling. Furthermore, the materials have robust and sustainable end markets, and support a circular economy by being able to be recycled multiple times. The MfE includes the following table (Table 1) to provide further details on the standard set of materials that will be accepted for recycling from February 2024 (MfE 2023, p.9-10).

Table 1: Summary of standard materials accepted in household kerbside recycling from MfE (page 9-10)

Material	Further details
Glass bottles and jars	<ul style="list-style-type: none"> Only includes empty, clean, and unbroken glass bottles and jars made from container glass (a type of glass used in the production of containers). Does not include broken glass or glass with other materials attached. Does not include types of non-container glass, such as light bulbs, heat resistant glass, cosmetic glass, drinking glasses, mirror glass or window glass.
Paper and cardboard	<ul style="list-style-type: none"> Includes clean paper and cardboard including pizza boxes (with food scraps removed). Does not include shredded paper. Does not include paper or cardboard that is plastic lined (such as receipts and boarding passes), foil lined or that has compostable elements (eg, coatings or linings) that could contaminate the recycling process.
Plastic bottles, trays and containers with resin identification codes 1, 2 and 5	<ul style="list-style-type: none"> Includes empty and clean, clear and coloured polyethylene terephthalate (PET), high density polyethylene (HDPE), and polypropylene (PP). Includes empty and clean meat trays or other trays and containers, such as margarine tubs, fruit punnets or appropriately sized yogurt pottles, provided they are made from and marked as plastics 1, 2 and 5. Does not include materials that are likely to be contaminated, such as paint containers, hazardous substance containers and plant pots (see table 2). Does not include products made of plastics 1, 2 and 5 that are not bottles, trays or containers (such as toys), because these are often made of multiple materials that are difficult to separate.
Aluminium and steel tins and cans	<ul style="list-style-type: none"> Does not include other types of aluminium such as foil (foil on a roll or foiled trays) and does not include aerosols (see table 2).

3.1.3 Materials not accepted for recycling at the kerbside and rationale

There are many materials that will not be accepted for recycling at the kerbside (Table 2) (MfE 2023, p.10-12). Alternative recycling schemes may be available for excluded items by Recycle South in Invercargill. WasteNet will need to work with them to determine best recovery methods for options listed in Table 2 overleaf.

Table 2: Summary of excluded materials in kerbside recycling from MfE (page 10-12)

Excluded material	Rationale	Alternative recycling options
Undersized items (three-dimensional items smaller than 50 mm at their widest point and two-dimensional items smaller than 100 mm by 140 mm)	Three-dimensional items smaller than 50 mm at their widest point (length, height or width) and two-dimensional items smaller than 100 mm x 140 mm are screened out during initial sorting at recycling plants. Examples of items that are likely to be undersize include: lids/caps, some cosmetics containers, some spice/flavouring containers, small takeaway sauce pottles, and other materials that have been broken down into small pieces. These items, which are too small to sort effectively, are sent to the landfill	<ul style="list-style-type: none"> Some smaller items can be recycled through product take-back schemes or dropped off at transfer stations or community resource recovery centres
Oversized items (glass, plastic, steel and aluminium containers more than 4 litres)	Oversized plastic, metal and glass items larger than 4 litres are too big to be processed on automated sorting lines.	<ul style="list-style-type: none"> Some transfer stations and community resource recovery centres will accept bulky plastic, metal and glass for recycling. Scrap metal yards will also often accept large metal materials. If bulky multi-component items, such as homeware, are still in usable condition they may be accepted by op shops.
Lids, caps and tops (excluding tethered)	<p>Several reasons exist for excluding lids and caps.</p> <ul style="list-style-type: none"> Detached lids and caps are too small for recycling plants to sort successfully. When lids are left on closed bottles or containers, liquid or food is more likely to remain inside and contaminate recycling. Detachable lids, caps and tops are often a different grade of plastic from the base bottle or container. <p>An exception is lids or caps that are tethered to a recyclable container (ie, stays attached to the bottle or container when open), which are an accepted material. Such tethered containers should be left open, with the tethered lid or cap still attached. This includes steel-can lids (ends) that are not fully detached from the empty can. Steel-can ends can also be accepted if securely enclosed inside the can, for example by placing the lid inside the can and squeezing the top of the can closed.</p>	Some Lions Clubs around the country collect metal rip tabs from beer cans (a small piece of metal designed for opening the top of a can) and metal lids from wine bottles. Some transfer stations and community resource recovery centres also have lid recycling schemes.

Excluded material	Rationale	Alternative recycling options
Aerosols (steel and aluminium)	<p>Most recycling plants in Aotearoa do not have the safety equipment needed to compact aerosols in a way that prevents fires and ducts any fumes outside of the building.</p> <p>As well, aluminium aerosols are typically grouped with used aluminium beverage containers, for on-selling, and their inclusion can lower the overall value of an aluminium collection.</p>	
Liquid paperboard (LPB)	<p>LPB (carton packaging made of a composite material, for example, Tetrapak) is hard to recycle multiple times because the packaging is a composite of different materials (commonly cardboard, plastic and aluminium) that are not easily separated.</p> <p>Sorting LPB cartons at recycling facilities is also challenging, often requiring hand sorting or upgraded</p>	<p>LPB drop-off points can overcome challenges of sorting and are being established across the country. Drop-off points include some transfer stations and community resource recovery centres.</p>
Aluminium foils and trays	<p>At most recycling facilities, aluminium foils and trays are a source of contamination. Because of their light weight, size and shape, aluminium foil and trays are often unable to be sorted by machinery. Food residues left on these materials can also contaminate recycling.</p>	
Plastics with resin identification number 3, 4, 6 or 7	<p>Low volumes of these types of plastic are in the kerbside waste stream, meaning they have limited recycling markets and can contaminate the recycling of high-value plastics like plastic 1 (PET). The Government is phasing out many types of food and beverage packaging made from plastic 3 (polyvinyl chloride, PVC) and plastic 6 (polystyrene, PS) by mid-2025.</p>	<p>EXPOL collects household volumes of expanded polystyrene (a type of plastic 6) at selected hardware stores across the country. For information on soft plastic drop-off collections (including plastic 4), see the soft plastics row below.</p>
Soft plastics	<p>All types of soft plastic (eg, bags and wrap) are excluded because they can cause problems in recycling plants by catching on sorting equipment and getting tangled.</p>	<p>The Packaging Forum collects plastics through drop-off points in supermarkets and other locations.</p>
Plant pots (including those made of plastic 5)	<p>Many plant pots are black or dark colours that are difficult for optical sorting technology at recycling plants to correctly sort. Plant pots are also often not clean and have the potential to contaminate recycling.</p>	<p>Many garden stores (including Mitre 10, Bunnings and Kings Plant Barn) operate drop-off recycling schemes for plant pots.</p>

Excluded material	Rationale	Alternative recycling options
Paint containers	Paint containers are hard to clean and are likely to contaminate recycling streams.	Many paint brands, such as Resene and Dulux, accept unwanted paint and paint containers for reuse or recycling. Some TAs accept empty and dry paint containers at transfer stations or community resource recovery centres.
Hazardous substance containers	Hazardous substance containers (eg, those containing pesticides, motor coolant or automotive oil) are a health and safety risk.	Many transfer stations and community resource recovery centres accept hazardous substance containers commonly used by householders. Agrecovery accepts many types of used agrichemical containers, including some home gardening containers. Some automotive stores accept used automotive oil containers.

3.1.4 Communications with residents

The information outlined above needs to be communicated with residents, so they understand what is and what is not accepted for recycling and why. Once an enforcement plan is prepared, it also needs to be disseminated to residents, so they are aware of how they can contribute to nationwide efforts to recycle responsibly.

Designing a communication package that will ensure good engagement by residents is essential, and is a job best carried out by a communications / design team.

3.2 Create an enforcement plan

To deal with contamination in kerbside recycling an enforcement plan needs to be designed that can be communicated with residents prior to and during the implementation of the kerbside recycling collection.

There are several elements involved in enforcement, including:

- Sample selection.
- Bin inspection.
- Communication with offending property.
- Action taken with offending property.

Based on the recycling enforcement plans of other local councils in Aotearoa, below is a suggestion of how an enforcement plan might operate.

3.2.1 Sample selection

The sample to be audited can either be randomly selected or targeted.

- Random sample:
Streets are selected on the day of recycling collection, ensuring a variety of streets are included.
- Targeted sample:
Once recycling collection is up and running, a driver / collector of the recycling bins may have an idea of which properties do not comply with recycling guidelines (some vehicles are fitted with cameras, making it obvious to the driver once the recycling bin is emptied into the collection vehicle that that bin had contamination). Therefore, these properties can be targeted for sampling.

3.2.2 Bin inspections

To determine whether properties are compliant or not, kerbside recycling bins need to undergo some form of inspection. The most efficient inspection is for someone with gloves on to manually inspect the top-most contents of a recycling bin; this type of inspection of a recycling bin can immediately determine if there is contamination or not, the type of contamination, the level of contamination and the corresponding action for the level of contamination.

3.2.2.1 Types of contamination

Contamination of a recycling bin can be categorised into two types: Standard and Significant.

Standard contamination

Standard contamination can be used to describe “wish-cycling”, where residents want to be able to recycle certain materials, that can no longer, or have never been able to be recycled at kerbside. These materials often include, soft plastics, liquid paperboard drink packaging (such as Tetrapak), or undersized or oversized plastic containers.

Significant contamination

Significant contamination can be described as material that cannot be associated with recycling at all, these materials include nappies, dead animals, food waste or household bags of rubbish.

If recycling bins are inspected and are found to have significant contamination in them, the recycling bin will not be collected, it will receive a red label (see below) and a letter to the household.

3.2.2.2 Levels of contamination

There are three levels of contamination: Up to 5%, 6-10% and over 10% contaminations. They can be colour coded to Green (good), Orange (OK – needs a bit of work), and Red (bad, not acceptable). These levels are described below.

GREEN: Up to 5% contamination

If a recycling bin contains at least 95% accepted recycling, with perhaps a tiny amount of “wish-cycling” such as lids left on drink containers, then a green tag is applied to the bin. This shows the

bin has been inspected and that the property owner is doing a great job. The bin is collected as normal.

ORANGE: 6-10% contamination

If there is up to 10% contamination with materials such as soft plastics, liquid paperboard food or drink packaging (such as Tetrapak), or oversized containers, then the property owners receive a “These materials can’t be recycled” tag, along with information about what can be recycled.

These materials are removed from the recycling bin by the inspector, put into a bag and removed for landfill. Then the bin is collected as normal.

The next time the bin is scheduled for emptying, the bin is inspected again to see whether the household has improved their recycling habits. If no improvement is seen, the bin receives the same tag again (up to three times). If on the third time, recycling has not improved, the bin moves to the RED tag, and the bin is not collected.

RED: Over 10% contamination

If there is more than 10% contamination with materials not accepted for recycling, or materials that are immediately recognisable as contamination, such as nappies, dead animals, food waste or rubbish bags, then these bins are NOT collected.

A red tag is attached to the bin and an accompanying letter is left in the mailbox.

The next time the bin is scheduled for emptying, the bin is inspected again to check to see that the household has improved their recycling habits. If no improvement is seen, the bin receives the same tag again (up to three times). If on the third time, recycling has not improved, then the recycling bin is removed from the household.

3.2.2.3 How bin inspection is conducted

There are different methods for conducting the inspection, including the following examples:

- The recycling bin collector/driver inspects recycling bins on properties directly prior to collecting the recycling bin.
- A waste minimisation officer, a waste education officer or a recycling bin inspector (the name varies around Aotearoa) travels with the driver and inspects recycling bins on properties prior to the driver emptying the recycling bin.
- A waste minimisation officer, a waste education officer or a recycling bin inspector travels separate to the driver and inspects recycling bins prior to the recycling bin collection.

There are pros and cons for each of these options. It is more costly to contract someone specifically to inspect the bins that is separate to the driver. However, asking the driver to conduct inspections adds to their workload, increasing their responsibilities and the time taken to emptying recycling bins.

For most councils, the recycling collection is contracted out to an external company, which in turn means that training drivers to inspect the contents of recycling bins is complicated (as the driver does

not work directly for council). For that reason, most councils employ their own staff to carry out inspections, meaning that the inspector can be well trained on what materials are and are not accepted for recycling, how to inspect and safely “rummage” through the top of a bin, and how to judge percentages of contamination in a recycling bin and to decide what action is required .

3.2.3 Communication with offending property

It is essential that communication with residents is continuous throughout the process. For most residents there is a lack of understanding as to what can be recycled and why these are the only materials that can be recycled. Therefore, communication must begin prior to implementation. Once enforcement begins, and inspections start, residents will need to receive clear communication to know exactly what is happening.

3.2.3.1 Examples of other council’s tags: DCC

The Dunedin City Council’s (DCC) have formalised a recycling bin inspector position. Recycling bin inspections are conducted by bin inspectors who check the contents of DCC yellow-lidded mixed-recycling bins put out for kerbside collection. On their website¹, the DCC states, “[m]ost Dunedin people do a great job with their recycling. The bin inspectors give you feedback to:

- praise great recycling.
- provide feedback to help you improve your recycling and reduce contamination.
- keep the staff who collect and sort recycling safe.”

Bin inspectors use informative bin tags (Figure 2) to provide feedback. Sometimes they may put a letter in the households mailbox.

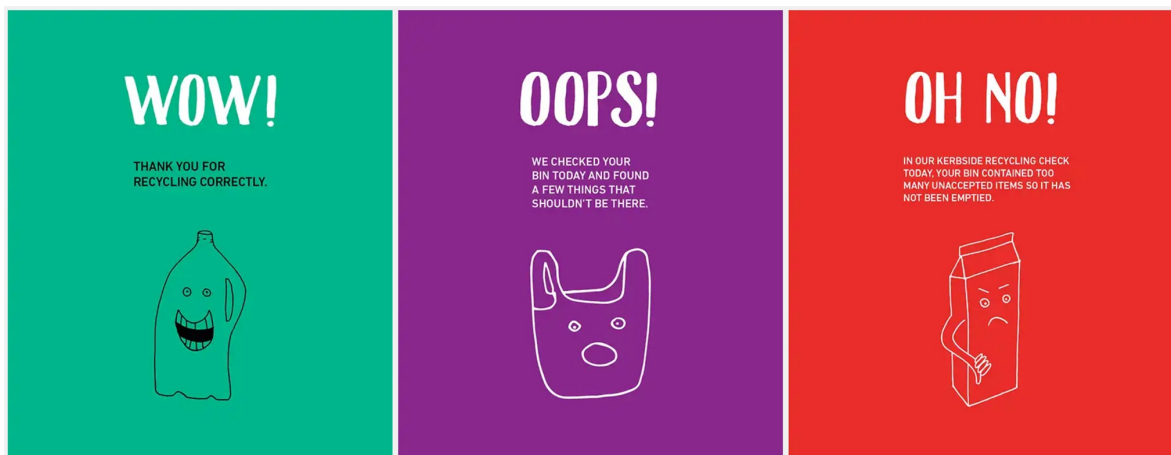


Figure 2: DCC Bin tags used after recycling bin has been inspected

This type of tag system has a positive effect by encouraging recycling, and also an educational outcome by stating that contaminated bins will not be collected.

¹ <https://www.dunedin.govt.nz/services/rubbish-and-recycling/recycling-inspections>

3.2.3.2 Examples of other council’s tags: TCC

Tauranga City Council (TCC) has implemented the Education tag² system. On their website, they state, “We randomly check your recycling bins to help you recycle better and to ensure efficiency of the kerbside collection service. We’re using a green, orange and red tag system, green is a thumbs up – you’re doing great; orange is an almost perfect; and red is an oops! Sorry we can’t empty your bin.”

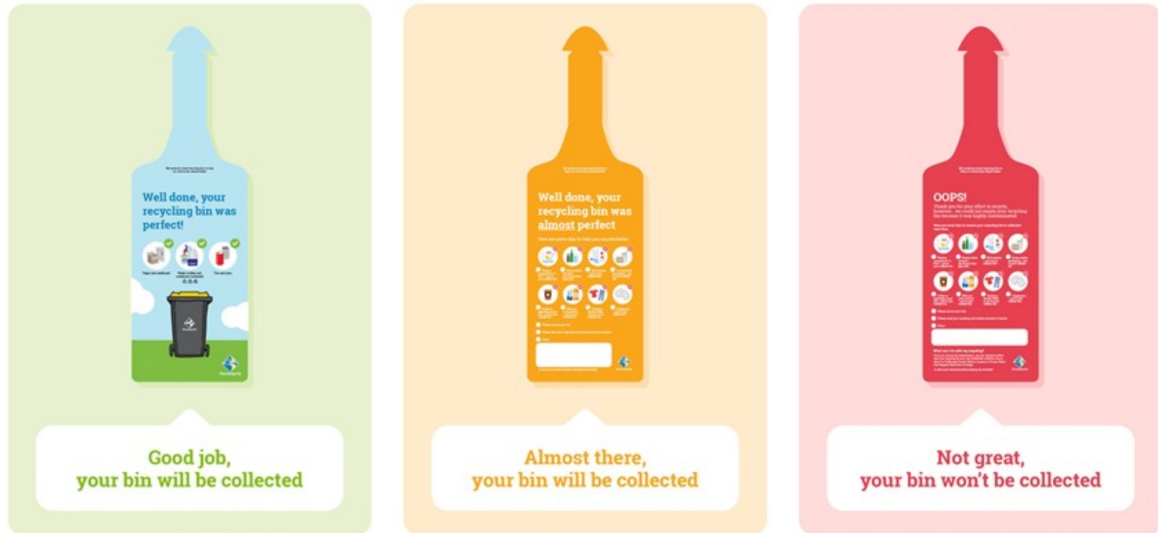


Figure 3: Tauranga City Council recycling bin tags used after recycling bin has been inspected

3.2.4 Action taken with offending property

There are different levels of action that can be taken with offending properties. Obviously, a green tag means everything is good, and orange (or purple in the DCC’s case), is you can do better. A red tag means a bin is not emptied. The tags also communicate with the recycling collection contractor / driver, as the driver can clearly see the visual cue of the tag: green and orange = pick up. Red do not pick up.

Repeat offending:

There are two levels of repeat offending, orange (up to 10% contamination) and red (too contaminated to pick up).

The common methodology for working with a repeat recycling offender on an orange/purple tag, is after three repeat offences the recycling bin is downgraded to a red tag. Accompanying the red tag, the household receives a letter explaining why it cannot be emptied.

² <https://www.tauranga.govt.nz/living/rubbish-and-recycling/kerbside-collections/tags-and-uncollected-bins>

The common methodology for a repeat offender on a red tag, is after **three repeat offences** the recycling bin is **removed for three months** from the household. The bin is returned after three months and the household is charged for the cost of returning the bin.

3.2.4.1 Examples of action from DCC

The DCC describes on their website what happens if too many incorrect items are found in residential recycling bins: “If a property’s yellow-lidded mixed-recycling bin is inspected and found to have too many of the incorrect items in them, it may not be emptied.

If, by the third inspection, a property’s bin still has a high level of contamination, the bin will be removed and the service will be suspended for three months. After that, the service will resume, but the ratepayer will be required to pay a \$31 fee for handling and delivery of a new bin.

3.2.4.2 Examples of action from TCC

The TCC describes on their website what happens if a household receives a red tag on their recycling bin. They state, “(1) Check your tag, we’ll tell you why you received it, (2) Rectify the issue and either save your waste until your next [red-lidded rubbish] collection day or take to the transfer station (fees apply for rubbish and garden waste).

4 Amending the WMMP and process required

The WasteNet WMMP is due for renewal in 2026; preparations on updating it may start in 2025.

It is recommended that through the process of updating the WMMP, a statement is added regarding the plan for enforcing recycling, such as:

Inspection and enforcement activities of household yellow-lidded kerbside recycling bins

To improve quality and quantity of recycled materials WasteNet may audit yellow-lidded recycling bins presented at kerbside and, if contamination occurs, the contractor may not empty the bin and a warning notice will be delivered to the household. If three warning notices are delivered, WasteNet may remove the bin/s from this address. Bins will be returned following a three month stand down at the cost of the ratepayer.

It is important to note, that it is most likely the “ratepayer” that is the person charged for the return of the recycling bin, after the three month stand down period. However, it may not be the ratepayer that is the problem, it may be a tenant. So this will need to be clearly communicated to residents prior to enforcement starting.

5 Abbreviations

DCC = Dunedin City Council

LPB = Liquid PaperBoard

MfE = Ministry for the Environment

MRF = Materials Recovery Facility

RTS = Resource Transfer Station

WMMP = Waste Management and Minimisation Plan

WMO = Waste Minimisation Officer

6 References

Ministry for the Environment. 2023. *Standard materials for kerbside collections: Guidance for territorial authorities*. Wellington: Ministry for the Environment.