



Meat Industry Association of New Zealand (Inc)

Submission to the Local Government and
Environment Select Committee on

The Waste Minimisation (Solids) Bill

31 August 2006

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I: About the Meat Industry Association

1. The Meat Industry Association of New Zealand Incorporated (MIA) is a voluntary trade association representing New Zealand meat processors, marketers and exporters. It is an Incorporated Society (owned by members) that represents companies supplying the majority of New Zealand sheepmeat exports and all beef exports, producing 16 per cent of our nation's exports by value (27 percent of New Zealand's primary sector export revenue). The New Zealand meat industry earned \$5 billion in export revenue in the year ended May 2006 and \$1.22 billion from domestic meat sales in the year ended March 2006.
2. MIA member companies operate approximately 80 processing plants dispersed throughout the country. The plants slaughter and process approximately 24 million lambs, 4.4 million sheep and 4.2 million cattle and calves each year. Ninety percent of this production is processed into value-added products. Approximately 800,000 tonnes or 85% of the production is exported to overseas destinations. Our affiliate members add to the depth of expertise available from the membership, with representation throughout the meat supply chain, including road and rail transport, shipping lines, ports, packaging firms, specialist product exporters, research and technology.
3. The Association advocates on behalf of its members and provides advice on economic, trade policy, market access, employment relations, business compliance costs and technical and regulatory issues facing the industry, with a particular focus on:
 - Food safety trends and developments in importing countries
 - Economic and trade aspects of market access to key overseas markets
 - Major public policy proposals that could impact on industry operations
4. The MIA is also the interface between the meat industry and government (i.e., it is the consultative body referred to in various New Zealand statutes, such as the Meat Board Act 2004, Meat Act 1981 and the Animal Products Act 1999).
5. The Association's mission is to:
 - Provide a forum for consideration of industry-wide commercial, human resource, marketing, and sanitary and zoosanitary issues; and
 - Provide the means of formulating a collective view on issues of industry wide interest, and of conveying that position to government, departments of state, trade bodies, and other appropriate external agencies and organisations.
6. A list of Association members is attached as Appendix 1.

II: Background

7. In summarising the Bill, the Green Party states that it “has a goal of achieving a Waste Free Aotearoa New Zealand by 2020, with clear and significant progress by 2010, through specific Waste Minimisation legislation¹.”
8. The specific outcomes of the Bill are:
 - The establishment of a centralised Waste Minimisation Authority
 - The establishment of localised Waste Control Authorities
 - Phased in bans of certain materials to landfills
 - Landfill levies
 - Extended producer responsibility programmes
 - Organisational Waste Minimisation Plans
 - Public procurement policies, which give priority to purchasing products and services which either decrease the generation of waste or support markets for recycled materials.

III: Executive Summary

9. While adding a significant administrative cost, the Waste Minimisation (Solids) Bill does not appear to contribute any further to waste management strategies already in place through the Ministry for the Environment.
10. Much of what is being proposed in the Bill is already in practice, due to a combination of current legislation and good business practice.
11. The positive outcomes achieved by business, especially since the early 1990s are not acknowledged. Further, it is our view that the Bill is overly prescriptive, for example, the Bill's requirement of companies to draft waste minimisation plans for approval by local authorities will be a significant economic burden, with a return on investment highly unlikely.
12. In addition, the establishment of a Waste Minimisation Authority and Waste Control Authorities would duplicate the work currently being undertaken by the Ministry for the Environment, regional councils and territorial local authorities.
13. There is no evidence to suggest that the Bill has been subjected to a thorough cost benefit analysis, based on the benefits it confers over and above existing programmes, versus the total cost of its implementation and operation.
14. The MIA recommends that the Bill not proceed.

¹ Green Party of Aotearoa New Zealand, 'Waste Minimisation Bill – Summary'
www.greens.org.nz/searchdocs/other9796.html 29/08/2006

IV: Submission

Good Business Practice

15. It is axiomatic that, as competition increases, businesses are constantly assessing their practices to determine where savings can be made. Their on-going survival demands that this be so. Reducing the amount of waste companies produce and need to dispose of is a commonly adopted cost-saving initiative. Its adoption by businesses, including the meat industry, has significantly contributed to a 70% reduction in the number of landfills and increased uptake of recycling since the 1990s².
16. As one of the country's key export sectors, the meat industry is well aware of the value of New Zealand's 'clean and green' image. Preserving this market advantage is an effective incentive to factor environmental considerations, including solid waste management, into business decision making.

The Establishment of a Waste Minimisation Authority

17. Industry and government already have a plethora of waste control mechanisms and initiatives, including but not limited to:
 - The New Zealand Waste Strategy
 - The New Zealand Packaging Accord
 - Waste Campaign Pilot
 - Regional plans for solid waste
18. The value of establishing another government department focussed on waste minimisation, when significant resource is already being allocated to the issue of waste, has not been substantiated.
19. Similarly, the establishment of localised authorities would be a duplication of Regional and Urban Councils' activities, for little additional benefit. The proposed relationship between Councils and Waste Control Authorities, including areas of responsibility and accountability is unclear in this Bill.

Waste Levies

20. Many landfills are privately owned, commercial operations. As such, waste disposal is charged at an 'above cost' rate to make a profit³. Landfills that are owned by Territorial Local Authorities also generally charge at an above cost rate⁴.

² Ministry for the Environment, "Waste Management in New Zealand – A Decade of Progress" October 2005. www.mfe.govt.nz/publications/waste/waste-management-nz-oct05/index.html 29/08/2006

³ Business New Zealand Submission to the Local Government and Environment Select Committee on the Waste Minimisation (Solids) Bill, July 2006; Martin Ward, Issues Associated with a Levy on Solid Waste – A Review of Positions and Possibilities. March 2006 <http://www.mfe.govt.nz/publications/waste/levy-issues-mar06/levy-issues-mar06.pdf> 31/08/2006

⁴ Ibid

21. The cost of waste disposal is already an economic incentive for businesses to constantly find ways to minimise waste – such as recycling and new product development.
22. Because business is already striving to reduce waste, imposing costs over and above business margins simply to fund a waste management authority is unlikely to achieve the Bill's purpose. Rather, it is more likely to act as an incentive to dispose of waste in rivers, streams and other unauthorised localities instead of using landfills responsibly to properly dispose of unusable waste.

Extended Producer Responsibility Programmes

23. In 2004, the Packaging Council, comprised of industry interests, and the Ministry for the Environment established the Packaging Accord⁵.
24. Extended producer responsibility programmes, or product stewardship is a pivotal part of the accord.
25. The voluntary nature of the accord provides a potential economic advantage to businesses who sign up, both through better use of resources, and through consumer perceptions.
26. Currently there are over 140 members of the Packaging Council, with more companies expected to join in the near future. This gives some indication of the success of voluntary, industry-lead schemes. The success of the Packaging Council again leads the Meat Industry Association to question the necessity of regulation in this area.

Waste Minimisation Plan

27. As a sector which exports approximately 80% of its produce, the meat industry competes not only domestically, but also internationally.
28. The meat industry faces a high level of regulation relative to other sectors. While the majority of this regulation is necessary for consumer assurance and overseas market access, the introduction of increased regulatory interventions in the absence of a cost:benefit analysis justifying its policy purpose may simply result in an adverse effect on the industry's competitiveness, as the costs cannot be recouped from international customers.
29. For this reason, possibly the most contentious aspect of this Bill is the requirement for businesses to draft, for approval by the newly established Waste Control Authority, a waste minimisation plan.
30. This requirement would be a significant compliance burden to business owners. Furthermore, it is unclear as to what, if any, positive outcome is to be the result of such a requirement. As noted above, business already has significant economic incentives to minimise waste and an obligation to document these efforts for government approval would be, at best, unhelpful.

⁵ Ministry for the Environment, Packaging Accord 2004-2009 <http://www.mfe.govt.nz/issues/sustainable-industry/initiatives/packaging/index.html#2> 31/08/06

V: Conclusions

31. New Zealand businesses are making constant progress in the area of waste management within the current legislative and voluntary parameters.
32. It is considered good practice to introduce regulatory intervention only after current voluntary and legislative measures have failed to achieve their purpose. Given the consistent improvement in New Zealand's waste management practice, the case for further legislation has not been substantiated.
33. The Waste Management (Solids) Bill is overly prescriptive, and there is no evidence to suggest that the increased legislative burden that will result from the passage of this Bill will be sufficiently justified by the benefits, i.e., waste minimisation.

V: Recommendations

34. For the above reasons, the Meat Industry Association recommends that the Waste Management (Solids) Bill not proceed.

VI: Appearance before the Select Committee

35. The MIA does not wish to be heard before the Select Committee to present this submission.

VII: Contact Details

36. For any queries relating to this submission, please contact Siobhan Ryan on 04 495 8382 or email siobhan.ryan@mia.co.nz

Meat Industry Association of New Zealand Inc

VIII: Appendix 1 - MIA Members as at 1 July 2006

List of MIA Members and Affiliate Members (year commencing 1 July 2006)

Members	Head Office Location
Advance Marketing Ltd	Auckland
AFFCO New Zealand Ltd	Hamilton
Alliance Group Ltd	Invercargill
ANZCO Foods Ltd	Wellington
ANZCO Green Island Ltd (ANZCO group)	Dunedin
ANZPAC Foods Ltd	Auckland
APJ Meats Ltd	Mapua
Auckland Meat Processors Ltd	Auckland
Ballande New Zealand Ltd	Auckland
Bernard Matthews New Zealand Ltd	Waipukurau
Blue Sky Meats (NZ) Ltd	Invercargill
<i>Brookland (NZ) Ltd (in receivership)</i>	<i>Auckland</i>
Canterbury Meat Packers Ltd (ANZCO group)	Ashburton
CMP Rakaia	Rakaia
Columbia Exports Ltd	Auckland
Crown Marketing Ltd (ANZCO group)	Wellington
Crusader Meats New Zealand Ltd	Benneydale
Dairy Meats NZ Ltd (AFFCO group)	Auckland
Davmet New Zealand Ltd	Napier
Fern Ridge Ltd	Napier
Frasertown Meat Company Ltd	Auckland
Garra International Ltd	Christchurch
Glovers Foods Ltd	Auckland
Greenlea Premier Meats Ltd	Hamilton
Harrier Exports Ltd	Auckland
Horizon Meats New Zealand Ltd (wholly owned subsidiary of Blue Sky Meats (NZ) Ltd)	Auckland
Hygrade Casings Company (wholly owned subsidiary of New Zealand By-Products)	
Lamb Packers Feilding Ltd (wholly owned subsidiary of Bernard Matthews NZ Ltd)	Waipukurau
Land Meat (NZ) Ltd (AFFCO group)	Hastings
Lanexco Ltd	Tauranga
Lowe Corporation Ltd	Hastings
Mathias International (Mathias Meats NZ Ltd)	Auckland
New Zealand By-Products	Havelock North
Pilot (NZ) Ltd	Christchurch
Primary Producers Co-operative Society Ltd (PPCS)	Dunedin
Progressive Gisborne Ltd (wholly owned subsidiary of Bernard Matthews NZ Ltd)	Waipukurau
Progressive Meats Ltd	Hastings
Riverlands Ltd (ANZCO group)	Eltham
South Pacific Meats Ltd	Invercargill
Tara Exports Ltd	Auckland
Taylor Preston Ltd	Wellington
Te Kuiti Meat Processors Ltd	Te Kuiti
Towers Thompson (New Zealand) Ltd	Christchurch
Universal Beef Packers Ltd (UBP)	Te Kuiti
Wallace Corporation Ltd	Waitoa, Waikato

Affiliate Members	
AgResearch-MIRINZ Centre	Hamilton
Aon New Zealand Limited	Wellington
Carter Holt Harvey, Packaging	Auckland
CentrePort Wellington	Wellington
Energy for Industry (ex Meridian Solutions)	Wellington
Hamburg-Sud New Zealand Ltd	Auckland
Hapag Lloyd (New Zealand) Ltd	Auckland
Maersk New Zealand Ltd	Auckland
New Zealand Natural Casing Association Inc	Napier
Oceanic Navigation Ltd	Auckland
Port of Napier	Napier
Port Otago Ltd	Port Chalmers
Port Taranaki Ltd (previously Westgate Transport Ltd)	New Plymouth
ProAnd Ltd (Meatek Ltd)	Fielding
Rissington Breedline Ltd	Napier
Sealed Air (New Zealand), Cryovac Division	Wellington
Thompson Clarke Shipping Pty Ltd (ANZ Marketing Representative for the Port of Los Angeles)	Australia
Vero Marine Insurance	Auckland