

13 MAY 2019

19-D-00625

s 9(2)(a)

Office of the ACT Party Leader

s 9(2)(a) @parliament.govt.nz

Dear s 9(2)(a)

Thank you for your email of 11 April 2019 requesting the following under the Official Information Act 1982 (the Act):

*Please provide all documentation MfE produced in relation to the decision to give \$38,000 to Fuji Xerox, including advice that was provided to Associate Minister Eugenie Sage.*

The Ministry for the Environment has identified six documents in scope of your request, as listed in the attached table. Some information within these documents has been withheld under the following sections of the Act:

- 9(2)(a) to protect personal information where withholding the information is necessary to protect the privacy of natural persons
- 9(2)(b)(ii) to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information
- 9(2)(h) withholding is necessary to maintain legal professional privilege
- 9(2)(j) withholding is necessary to enable a Minister, Department or organisation holding the information to carry out negotiations (including commercial and industrial negotiations) without prejudice or disadvantage.

In terms of section 9(1) of the Act, I am satisfied that, in the circumstances, the withholding of this information is not outweighed by other considerations that render it desirable to make the information available in the public interest.

A limited amount of information has been withheld from these documents. Document one is the advice given to Hon Dr Nick Smith and Hon Scott Simpson under the previous government, as the initial recommendation to fund Fuji Xerox was made under their administration. Information on Waste Minimisation Fund projects other than Fuji Xerox's project was removed as it is out of scope. Information was withheld from this document for the following reasons:

- Where it is commercially sensitive
- To protect the personal information of Ministry officials or Fuji Xerox staff (namely, cell phone numbers)
- To protect legal privilege

- To enable to carry out future negotiations.

Documents two through five are letters and memos produced by the Ministry for the Environment. Document two and document three had a small amount of personal information redacted. Document four had no redactions. Document five had several sections redacted to protect legal privilege and/or to enable the party holding the information to carry on negotiations without prejudice or disadvantage. Document six is the deed of funding entered into by Fuji Xerox and the Ministry for the Environment. It had a small amount of redactions to protect the privacy of individuals and to protect commercial sensitivities.

You have the right to seek an investigation and review by the Office of the Ombudsman of my decision to withhold information relating to this request, in accordance with section 28(3) of the Act. The relevant details can be found on their website at: [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz).

Please note that due to the public interest in our work, the Ministry for the Environment publishes responses to requests for official information on our website on our [OIA responses page](#) shortly after the response has been sent.

If you have any queries about this, please feel free to contact our Executive Relations team.

Yours sincerely



Shaun Lewis  
Director, Mana Honohono

Released under the provisions of  
the Official Information Act 1982

**List of documents**

Document no.	Document date	Content	Decisions	OIA sections applied
1	4 September 2017	Pages 1 to 13 from Waste Minimisation Fund May 2017 Recommendations	Released in part Note, extracted pages that were within scope	9(2)(a) 9(2)(b)(ii) 9(2)(h)
2	25 September 2017	Fuji Xerox Project Alchemy Stage II Letter	Released in part	9(2)(a)
3	28 September 2017	WMF Confirmation of Intent to Proceed 2017 signed	Released in part	9(2)(a)
4	10 November 2017	Fuji Xerox Stage II hold letter	Released in full	None
5	13 March 2018	Memo to James Walker re Intent to Proceed (in Confidence)	Released in part	9(2)(h) 9(2)(j)
6	27 April 2018	Deed #22336 with Fuji Xerox NZ Ltd re Project Alchemy (WMF-17-14)	Released in part	9(2)(a) 9(2)(b)(ii)

Released under the Provision of the Official Information Act 1982





Ministry for the  
**Environment**  
Manatū Mō Te Taiao

To: **Hon Dr Nick Smith, Minister for the Environment**  
**Hon Scott Simpson, Associate Minister for the Environment**

### Waste Minimisation Fund May 2017 Recommendations

<b>MfE Tracking Number:</b>	17-B-03864	<b>[Other Department] Tracking Number:</b>	
<b>Date Submitted:</b>		<b>MfE Priority:</b>	Non-urgent
<b>Security Level:</b>	IN CONFIDENCE	<b>Number of Attachments:</b>	3
<b>Action Sought:</b>	Approval/Agreement	<b>Response Needed by:</b>	21 September 2017

### Ministry for the Environment Contacts

Position	Name	Telephone		1st Contact
		(cell)	(work)	
Principal author	Liz Vallières	S 9(2)(a)		✓
Responsible Manager	Hinemoa Awatere	022 076 4653		
Director	Shaun Lewis	021 101 2446		

### Purpose

1. This briefing note seeks your decisions on applications for funding to the May 2017 round of the Waste Minimisation Fund (WMF).
2. It also seeks your decision on funding for Sustainable Coastlines, who was invited to resubmit a revised application out-of-round, after applying unsuccessfully in October 2016.

### Executive Summary

#### May 2017 funding round

3. The Ministry received 57 eligible applications to the May 2017 funding round requesting \$75.8 million in funding towards total project costs of \$129.7 million.
4. The WMF Assessment Panel (the panel) recommends funding 10 applications up to a maximum of \$2,354,500 towards total project costs of \$6,888,000. The panel recommends declining the remaining 47 applications.
5. We recommend that you discuss your decisions with one another prior to recording them to ensure no contradictory decisions are made.
  - enter into Deeds of Funding with the applicants once we have concluded the negotiation and project planning process.
6. Once this is complete you will have the opportunity to announce the funding that has been awarded to these projects.

Out of Scope - relates to other  
WMF project

*Next Steps:*

8. Following your decisions we will:
  - advise successful and unsuccessful applicants of the outcomes of their applications
  - enter into negotiations with successful applicants to agree the final scope of the project plan and conditions of the deed of funding.

## **Situation Analysis**

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### *Waste Minimisation Fund*

9. The Waste Minimisation Fund (WMF) was established under the Waste Minimisation Act 2008 (the Act). The Act's purpose is to encourage a reduction in the amount of waste generated and disposed of in New Zealand. The WMF supports the development and implementation of waste minimisation projects that:
  - increase resource efficiency
  - increase reuse, recovery and recycling
  - decrease waste going to landfill; and
  - address litter.
10. Approximately \$13 million is available annually to fund waste minimisation projects. Funding is sourced from the \$10 per tonne waste disposal levy (under the Act) that is collected from landfills that accept household waste. Half of the levy is distributed to territorial authorities and the remainder, minus administration costs, is available to the fund. Approximately \$12 million is available for allocation in this funding round.
11. Under section 38 of the Act, the statutory decision making power to award funding to waste minimisation projects rests with the Minister for the Environment. This decision making power has been delegated to the Associate Minister for the Environment, with the exception of matters relating to end-of-life tyres.

### *Assessment of applications – May 2017 funding round*

12. Prior to your decisions, an assessment panel, comprising four members appointed by the Associate Minister for the Environment, and two Ministry staff, convened to assess all applications against the criteria for approving funding (the WMF Criteria), as notified in the *Gazette* under section 38(4) of the Act (Appendix 1). The panel considered the extent to which projects will minimise waste to landfill and reduce harm to the environment, as well as assessing the applicant's ability to deliver the project.
13. A total of 57 applications were received in the May 2017 round, requesting \$75.8 million in funding towards total project costs of \$129.7 million.
14. Of the 57 eligible applications received, there was a wide spread of project types and waste streams. Table 1 shows a breakdown of the 57 applications, including project type, waste stream and WMF amount requested.

Table 1: Eligible applications received by type and waste stream

Application Type	Waste Stream	# Applications	WMF requested*	Total per application type
Education and Awareness	Agrichemicals	1	\$190,500	\$854,541
	Multiple – Other	2	\$412,600	
	Packaging	1	\$94,495	
	Textiles	1	\$148,600	
Feasibility or Investigative	Primary sector related organic waste	2	\$297,940	\$1,751,459
	Household organic	5	\$450,659	
	E-waste	1	\$80,000	
	Tyres	2	\$250,000	
	Manufacturing	1	\$96,000	
	Packaging	1	\$168,250	
	Multiple – other	2	\$295,110	
	Biosolids	1	\$150,000	
Infrastructure	Packaging	8	\$6,750,226	\$64,315,441
	Commercial green waste	1	\$90,000	
	Agrichemicals	1	\$950,000	
	Timber	3	\$1,981,942	
	Tyres	5	\$22,334,208	
	Construction	2	\$1,185,537	
	Demolition	3	\$6,481,244	
	Household organic	2	\$2,295,580	
	Manufacturing	1	\$671,500	
	Nappies/Sanitary	1	\$3,014,693	
	Textiles	1	\$488,000	
	Multiple – other	3	\$13,299,507	
Services	Packaging	2	\$373,000	\$8,884,168
	Tyres	1	\$8,170,000	
	Construction	1	\$89,228	
	Paper and cardboard	1	\$75,000	
	Multiple – other	1	\$176,940	
<b>TOTAL</b>		<b>57</b>		<b>\$75,805,610</b>

Out of Scope - relates to other WMF project



16. In line with previous practice, the Ministry convened a reduced panel to assess the revised application against the Criteria and compare it with feedback given on the previous application. The panel was made up of two external appointed panel members and one internal staff member with relevant expertise in the Government's litter related work programme.

## Advice

### Applications from the May 2017 round

17. The panel assessed all 57 applications to the May 2017 round. The panel's recommendation is to fund 10 applications. The panel recommended that 7 of the 10 selected projects be funded with specific conditions and/or at reduced levels. The detail of these projects is outlined in Appendix 2. The panel recommends declining the remaining 47 (listed in Appendices 3 and 4). The total amount recommended is up to \$2,354,500 towards total project costs of \$6,888,001 (34% contribution from the WMF).

Out of Scope - relates to other WMF project

### Recommended projects

20. The projects recommended for funding address a number of waste streams. See Table 2 below.

Table 2: Applications the panel has recommended for WMF funding (May 2017 round and revised application from Sustainable Coastlines)

Applicant and project name	Project Type (waste stream)	Funding amount recommended	Total project costs
Para Kore Marae Incorporated <i>Te Pae Tata</i>	Education and awareness (multiple waste streams)	\$264,000	S (2)(b)(ii)
Fuji Xerox New Zealand <i>Operation Alchemy</i>	Feasibility (manufacturing waste)	\$38,000	
Mint Innovation <i>Technical feasibility study for scaling a metal recovery process from electronic waste</i>	Feasibility (E-waste)	\$80,000	
Scion <i>Turning the tide on plastic microparticles</i>	Feasibility (Microplastics)	\$80,000	
Astron <i>Integrated Plastics Recycling System</i>	Infrastructure (Packaging)	\$500,000	

Applicant and project name	Project Type (waste stream)	Funding amount recommended	Total project costs
Manakau Institute of Technology <i>From Food Waste to Compost</i>	Infrastructure (Household organic waste)	\$60,000	S (2)(b)(ii)
Envirowaste <i>Expanding Organic Foodwaste processing capacity</i>	Infrastructure (Household organic waste)	\$1,100,000	
The Formary <i>NZ Textile Reuse Programme</i>	Infrastructure (Textiles)	\$45,000	
Goodman Fielder <i>Recycling of 250 tonnes of Tetra Pak</i>	Infrastrucutre (Packaging)	\$112,500	
The Misprint Co <i>Misprint Hubs</i>	Services (Paper and cardboard)	\$75,000	
Sustainable Coastlines <i>A grass-roots solution to litter in New Zealand</i>	Education and awareness (litter)	\$2,658,993	
		\$5,013,493	

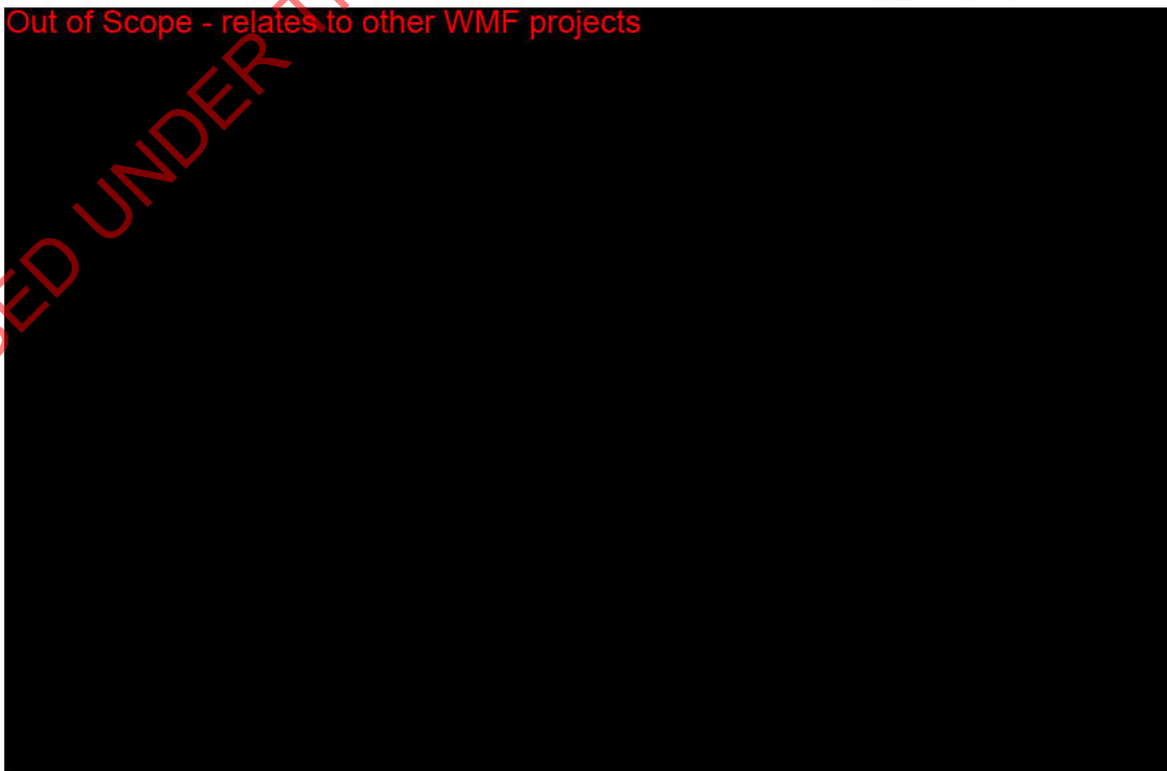
*Applications not recommended for funding*

21. The remaining 47 applications from the May 2017 round were not recommended for funding because they either:

- a) offered a low level of benefit for the investment;
- b) did not demonstrate the technical or commercial feasibility of their proposal; or
- c) did not sufficiently demonstrate their ability to deliver the project.

22. Of the 47 applications not recommended for funding, there are a number of note, due to their links with existing WMF projects, product stewardship schemes, or current 'hot topics'. These are discussed further in the following paragraphs.

Out of Scope - relates to other WMF projects



Out of scope - relates to other WMF projects



*Decision making*

29. Applications recommended for funding, including any conditions of funding, are presented for Minister Simpson's decision in Appendix 2.
30. Applications not recommended by the panel are presented for decision in Appendix 3 (for non-tyre projects), and Appendix 4 (for tyre-related projects). Full applications and supporting information can be provided upon request.
31. Prior to recording your decisions, you may wish to discuss your decisions with one another to ensure that no contradictory funding decisions are made. Our recommended approach is for Minister Simpson to make decisions relating to non-tyre projects and Minister Smith to make decisions relating to tyre projects, in line with the formal delegation.
32. We endorse the panel's decisions and recommend that:
  - a. you approve the 10 applications recommended for funding from the May 207 funding round, up to a maximum of \$2,354,500, towards total project costs of \$6,888,001; and

Out of Scope - relates to other WMF project



## Risks and Mitigations

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### *Risk of upset applicants*

33. There is a potential risk when making decisions for funding that unsuccessful applicants will feel aggrieved. The Ministry manages this by providing clear feedback to applicants on why they were unsuccessful and offering further support for those that wish to reapply in the future.

Out of Scope - relates to other WMF project



### *Fuji Xerox New Zealand*

35. One project recommended for funding is from Fuji Xerox New Zealand (FXNZ). FXNZ have an accredited product stewardship scheme for their waste toners, and have applied for funding for a project to use waste toner and other wastes in bitumen roading. The project is already successful in Australia. FXNZ was in the media earlier this year regarding an investigation into accounting irregularities in their New Zealand and Australian offices. At this time there has not been any announcement of the outcome of any investigation by the Serious Fraud Office into this issue. The value of this project is relatively low, at \$60,000. Furthermore, funding from the WMF is paid in arrears and is based on evidence supplied of actual costs incurred relating to the delivery of the project only. We consider the risk in approving funding for this project to be minimal.

### *Level of recommended funding*

36. The amount recommended for funding is just over \$5 million. Considering the current funding available to be allocated (approximately \$12M), there is a risk that the government could come under criticism for not supporting enough waste minimisation initiatives. We consider this risk to be low, and if queried, we will point to our robust assessment processes that ensure only quality projects with a good likelihood of success receive funding.
37. The Ministry is currently working on a new approach for the Fund, which will enable us to better target priority areas for waste minimisation funding and alignment with the Waste Levy Review recommendations. This will involve an increased level of engagement with organisations that are well-placed to undertake strategic projects that offer the type of broad, long-term benefits that we seek.

S 9(2)(h)



## **Financial, Regulatory and Legislative Implications**

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### *Available funding*

41. There is approximately \$12 million available to allocate to projects from the Waste Minimisation Fund. Recommendations for funding total just over \$5 million which is well within the available funding. Should you choose to fund other projects not recommended by the Panel, please bear in mind the level of funding available.

## **Next Steps**

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42. Please specify whether you agree to approve all panel recommendations as presented in the appendices, or record approve/decline funding decisions individually for each application using the 'Minister Decision' column in Appendices 2, 3 and 4. We recommend decisions are made by 21 September 2017 to enable timely commencement of approved projects, and to allow unsuccessful applicants time to prepare an application for the next round if they so wish.
43. Following your decisions, we will contact the successful applicants to confirm their intention to proceed. We will also begin our third party due diligence process on successful applicants. The Ministry and the applicants will agree upon the final scope of their project plan and Deed of Funding. We will also advise the unsuccessful applicants of the outcome of their applications.
44. Opportunities to announce and promote funding recipients will be available once a Deed of Funding is signed. We suggest that funding recipients have the option to self-announce their projects if they have not been announced by you within six months of signing the Deeds of Funding. We will also look for opportunities for you to promote projects that have been successfully completed.
45. The next WMF funding round is scheduled for May 2018.

## Recommended Actions

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### We recommend that you:

- a) **Discuss** your decisions with one another.
- b) **Note** that the Ministry endorses the WMF panel's funding recommendations.
- c) **Agree** to approve all panel recommendations as presented in Appendices 2, 3 and 4.

Yes / No

OR

- d) **Agree** to record decisions individually in the 'Minister Decision' approve/decline column in Appendices 2, 3 and 4.
- e) **Agree** that the offers of funding for the applications approved will expire six months from the date that the applicant is notified of your decision.
- f) **Agree** that funding recipients can self-announce their project if it has not been announced by you within six months of the Deed of Funding being signed.

Yes / No

Yes / No

Yes / No

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Shaun Lewis  
Director, Mana Honohono- Investments and Partnerships

Date

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Hon Dr Nick Smith  
Minister for the Environment

Date

Hon Scott Simpson  
Associate Minister for the Environment

Date

Minister's feedback on quality of briefing note:	1	2	3	4	5
1 = Was not satisfactory                      2 = Fell short of my expectations in some respects                      3 = Met my expectations 4 = Met and sometimes exceeded my expectations                      5 = Greatly exceeded my expectations					

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## **Appendix 1: New Zealand Gazette, 14/4/2016 Number 31, Notice Number go2098**

### **Criteria for the Waste Minimisation Fund**

Pursuant to section 38 of the Waste Minimisation Act 2008, the Minister for the Environment hereby varies the eligibility criteria for the approval of funding projects from the Waste Minimisation Fund (as published in the New Zealand Gazette, 8 October 2009, No. 148, page 3585) by replacing criterion 1, Eligibility – Waste Minimisation Projects, with the following:

“Variation of eligibility criterion 1 – Waste Minimisation Projects

1. Only waste minimisation projects are eligible for funding. Projects must promote or achieve waste minimisation. Waste minimisation covers the reduction of waste and the reuse, recycling and recovery of waste and diverted material. The scope of the fund includes educational projects that promote waste minimisation activity and projects that address litter.”

All other criteria remain unchanged.

## **New Zealand Gazette, 8/10/2009, Number 148, page 3583. Notice Number 8350**

### **Criteria for the Waste Minimisation Fund**

#### **Purpose of the Fund**

The purpose of the Waste Minimisation Fund is to boost New Zealand’s performance in waste minimisation. There is considerable scope to reduce waste and increase the recovery of useful resources from waste.

Lifting our performance in recovering economic value from waste also provides environmental, social and cultural benefits and reduces the risks of harm from waste. This will require investment in infrastructure and systems for waste minimisation and developing educational and promotional capacity.

The purpose of the fund is to provide some of the funding to ensure that this occurs.

#### **Eligibility – Waste Minimisation Projects**

1. Only waste minimisation projects are eligible for funding. Projects must promote or achieve waste minimisation. Waste minimisation covers the reduction of waste and the reuse, recycling and recovery of waste and diverted material. The scope of the fund includes educational projects that promote waste minimisation activity.
2. Projects must result in new waste minimisation activity, either by implementing new initiatives or a significant expansion in the scope or coverage of existing activities.
3. Funding is not for the ongoing financial support of existing activities, nor is it for the running costs of the existing activities of organisations, individuals, councils or firms.
4. Projects should be for a discrete timeframe of up to three years, after which the project objectives will have been achieved and, where appropriate, the initiative will become self-funding.
5. Funding can be for operational or capital expenditure required to undertake a project.
6. For projects where alternative, more suitable, Government funding streams are available (such as the Sustainable Management Fund, the Contaminated Sites Remediation Fund, or research funding from the Foundation for Research, Science and Technology),

applicants should apply to these funding sources before applying to the Waste Minimisation Fund.

7. The applicant must be a legal entity.
8. The fund will not cover the entire cost of the project. Applicants will need part funding from other sources.
9. The minimum grant for feasibility studies will be \$10,000.00. The minimum grant for other projects will be \$50,000.00.

### **Assessment Criteria**

#### **Project Benefits**

1. Preference will be given to projects that collectively give the largest net benefit over time. The assessment of the effectiveness of projects will include the extent to which the projects can demonstrate:
  - o likelihood of success;
  - o reduction of harm to the environment;
  - o reduction in the volume of waste disposed of;
  - o economic, environmental, social or cultural benefits;
  - o longer term benefits after the completion of the project.
2. Projects will be assessed for their strategic value in achieving the purpose of the fund. Strategic value means the likely ability of projects to act as catalysts that enhance and extend the uptake of waste minimisation.
3. The degree of partnership and cross-sectoral collaboration will be taken into account in assessing the strategic value of proposals.
4. The level of funding from other sources will be taken into account. Shared funding is preferred.

#### **Project Delivery**

5. The applicant must demonstrate:
  - o ability to deliver the project;
  - o how the project will achieve its goals;
  - o how the effectiveness of the project will be monitored, evaluated and reported;
  - o if and how the project will be used to promote waste minimisation to the wider public; and if and how the project will continue after funding ends and become self-sustaining, particularly if the funding is for the establishment phase of a longer term project.

Appendix 2: Applications the panel has recommended for funding through the Waste Minimisation Fund(May 2017 round and revised application from Sustainable Coastlines)

Applicant	Location	Project outline and Panel comments ( <u>project title</u> , brief project description, <i>summary of panel comments</i> )	Total cost	WMF \$ applied for	Panel recommendation (endorsed by the Ministry)	Minister decision (✓ one option for each application)
Out of Scope - relates to other WMF project						
Fuji Xerox New Zealand	Auckland	<p><b>Operation Alchemy</b></p> <p>Fuji Xerox machines use toner. Waste toner often remains in used cartridges and is recovered under Fuji Xerox New Zealand's (FXNZ) Ministry for the Environment accredited Product Stewardship Scheme. As part of its commitment to a circular economy, FXNZ is in the process of improving its Product Stewardship Scheme by partnering with Close The Loop (CTL) to ensure that instead of simply recovering its waste toner, it is repurposed for use in TonerPave™. TonerPave is a new asphalt developed in Australia, with a high recycled content and up to 23% reduced carbon footprint. The waste toner in TonerPave is used to partially replace crude-oil derived bitumen in road surfacing, improving the technical performance of the road.</p> <p>Through continuing development, TonerPave seeks to repurpose not only waste toner but waste engine oil and crumb rubber from recycled car and truck tyres as well as waste acrylic paint in a circular solution.</p> <p>Our project team (Fuji Xerox New Zealand, Downer New Zealand and Close The Loop) is keen to undertake a Feasibility Study to:</p> <ol style="list-style-type: none"> <li>1. Understand the feasibility of using waste toner produced in New Zealand to add to asphalt in New Zealand roads.</li> <li>2. Undertake a trial using TonerPave, containing Fuji Xerox New Zealand waste toner, in a New Zealand road, thus demonstrating a circular solution for New Zealand.</li> </ol> <p><b>Panel comments</b>  <i>The applicant has an Accredited Product Stewardship Scheme            Good link to circular economy/closing the loop            Already demonstrated it is accepted in Australia            Clear terms of reference required so as to not repeat the Australian work (i.e. what is different in New Zealand conditions for bitumen)            Applicant has not engaged with NZTA</i></p>	\$96,000	\$60,000	<p>Application recommended for funding as presented conditional to:</p> <p>Letter of support from NZTA to be provided</p> <p>WMF funding of up to \$38,000 based on 50% of total project costs relating to the Feasibility Study, excluding costs relating to promotion and dissemination (\$20k)</p> <p style="text-align: center;"><b>\$38,000</b></p>	<p><b>Option 1:</b> Approve - agree with the Panel's recommendation <input type="checkbox"/></p> <p style="text-align: center;"><b>or</b></p> <p><b>Option 2:</b> Decline the application <input type="checkbox"/></p> <p style="text-align: center;"><b>or</b></p> <p><b>Option 3:</b> Approve the amount requested by applicant <input type="checkbox"/></p>



Document 2 - Invitation to proceed to stage 2 letter

PO Box 10362, Wellington 6143  
Website: [www.mfe.govt.nz](http://www.mfe.govt.nz)  
Freephone: 0800 499 700

25 September 2017

Juhi Shareef  
Sustainability Manager  
[Juhi.shareef@nzl.fujixerox.com](mailto:Juhi.shareef@nzl.fujixerox.com)

Tēnā koe Juhi,

Ngā mihi I ngā tini āhuatanga o te wā ki a koe,

### **Waste Minimisation Fund – invitation to proceed to Stage II**

Thank you for submitting your application to the Waste Minimisation Fund (WMF) entitled "Operation Alchemy". I am pleased to inform you that you are now invited to proceed to Stage II of the funding process.

The maximum funding available is up to \$38,000 over the duration of the project.

**Please note that conditions of funding have been identified during the assessment process. For your application this is:**

- i. Letter of support from NZTA to be provided
- ii. WMF funding of up to \$38,000 based on 50% of total project costs relating to the Feasibility Study, excluding costs relating to promotion and dissemination (\$20K).

During Stage II, you will be required to complete and submit a project plan, including a project budget, to the Ministry for the Environment. The Ministry will provide you with a project plan template after you have confirmed your intent to proceed. The project plan will set out how you will deliver your project in sufficient detail to support the deed of funding. The project will only commence once the Ministry has agreed your project plan, associated budget and deed of funding.

If your project plan is approved, a deed of funding will be developed for signature by the Ministry and your organisation.

Please note:

- **The project plan and funding deed must be agreed by both parties no later than 27 March 2018, after which the offer of funding will expire.**
- **Expenses incurred before the deed is signed by both parties are not eligible for reimbursement.**
- **The Minister and/or Associate Minister for the Environment will announce all approved projects. Please ensure that you do not release details of your project in relation to WMF funding before this announcement.**



### Next steps

The table below illustrates the next steps required from you to proceed to Stage II.

Step No.		Due date
1	<p><b>Confirm that you intend to proceed with Stage II of the application process.</b></p> <p>Please read the enclosed <i>Confirmation of Intent to Proceed</i> form to ensure that you are able to satisfy all the points on the declaration.</p> <p>Should you choose to proceed, complete and sign the confirmation form and email it back to <a href="mailto:wmf@mfe.govt.nz">wmf@mfe.govt.nz</a>.</p> <p>If you choose not to proceed please let us know.</p>	4 October 2017
2	<p><b>Commence drafting your project plan</b></p> <p>Funding approval is dependent on the development of a satisfactory project plan. The project plan forms part of the deed of funding.</p> <p>Applicants must complete the first draft of the project plan within 6 weeks of signing the <i>Confirmation of Intent to Proceed</i> form.</p> <p>The first draft of the project plan should be submitted to the Ministry for review. The Ministry will ensure that the required level of information has been provided within the project plan. You will be notified if any of the required information has been omitted.</p>	15 November 2017 (first draft)
3	<p><b>Finalise project plan and sign deed of funding</b></p> <p>Funding will be confirmed when the project plan has been approved and a deed of funding has been signed by both your organisation and the Ministry for the Environment.</p> <p>The project may only commence once the deed of funding is signed by both parties.</p>	27 March 2018

If you have any queries contact the Ministry's Resource Efficiency and Innovation team on 0800 499 700 or email [wmf@mfe.govt.nz](mailto:wmf@mfe.govt.nz).

Please note that this letter does not constitute a binding agreement.

S 9(2)(a)



Hinemoa Awatere  
Manager, Hono Tātaki – Resource Efficiency & Innovation



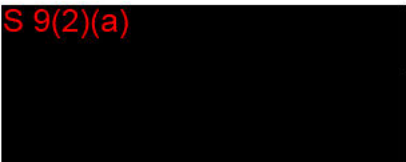
# Waste Minimisation Fund

## Confirmation of intent to proceed form

Your application to the Waste Minimisation Fund (WMF) has been approved to proceed to Stage II (project planning). Use this form to confirm your organisation's intent to proceed to the project planning phase of your application.

Email this completed form to [wmf@mfe.govt.nz](mailto:wmf@mfe.govt.nz), or post it to The Waste and Resources Team, Waste Minimisation Fund, Ministry for the Environment, PO Box 10362, Wellington, 6143.

Project details	
Organisation name	Fuji Xerox New Zealand
Project name	Operation Alchemy

Declaration	
<p>As a duly authorised representative of the organisation above:</p> <ul style="list-style-type: none"> <li>I intend to proceed with the project planning phase of the WMF funding process</li> <li>I accept all of the funding conditions outlined within the 'invite to Stage II' letter</li> <li>I understand and agree that the Ministry for the Environment will undertake due diligence, credit and reference checks on the organisation</li> <li>I understand that due diligence findings may result in additional conditions of funding.</li> <li>I understand that I must complete the project plan and sign a funding deed by 27 March 2018</li> <li>I understand that the Ministry for the Environment does not pay for any costs incurred before the funding deed is signed.</li> </ul>	
<ul style="list-style-type: none"> <li>I understand that the Ministry for the Environment makes WMF payments in arrears, after the satisfactory completion of each milestone</li> <li>I agree not to release details of the project in relation to WMF funding before the Minister's announcement.</li> </ul>	
<b>Name</b>	Juhi Shareef
<b>Position</b>	Corporate Sustainability Manager
<b>Signature</b>	<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>S 9(2)(a)</p>  </div> <div style="width: 35%; text-align: right;"> <p>Date 28<sup>th</sup> September 2017</p> </div> </div>
<p><i>by typing your name in the space provided you are electronically signing this confirmation form</i></p>	

10 November 2017

Juhi Shareef  
Sustainability Manager  
Fuji Xerox  
Juhi.shareef@nzl.fujixerox.com

Tēnā koe Juhi,

Ngā mihi I ngā tini āhuatanga o te wā ki a koe,

In September you were invited to progress to stage II of the funding progress of the Waste Minimisation Fund (WMF) which you accepted.

Since this time, the Serious Fraud Office (SFO) has reopened its investigation into accounting irregularities at Fuji Xerox. It is our view that proceeding with the project presents some reputational risk for the Ministry. As such, we are seeking clarification and assurance from you that the issues which have led to the reopening of the SFO investigation, as well as the suspension of the AoG print services contracts by MBIE, are removed from this project.

We therefore ask that you please provide us with further information on these issues and any impact they may have on the project with the Ministry at your earliest convenience.

Please don't hesitate to contact me if you have any questions or require any clarification regarding the content of this letter.

Nāku noa, na

Hinemoa Awatere  
**Manager, Hono Tātaki – Resource Efficiency and Innovation**

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# Memo

To: James Walker

From: Jay Hadfield

Date: 13/03/2018

CC: Andrew Needham, Hinemoa Awatere, Shaun Lewis

Re: Fuji Xerox Waste Minimisation Fund Project: Intent to Proceed (In Confidence)

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## Purpose

1. This memo seeks your approval to continue Stage II project planning with Fuji Xerox, with the intent to enter into a Deed of Funding with Fuji Xerox by the end of March.
2. Inform you of important background information relevant to this approval request.


## Background

3. Fuji Xerox New Zealand (Fuji Xerox) applied for funding under the May 2017 Waste Minimisation Fund (WMF) contestable round to support their 'Project Alchemy' project, which will test the feasibility of using waste toner in the construction of roads as a substitute for bitumen.
4. The WMF panel recommended the Minister approve the project with several funding conditions:
  - a. restricting funding to the feasibility study
  - b. precluding use of WMF funds for marketing or advertising of the results.
5. In September 2017, the Associate Minister for the Environment approved funding for the Fuji Xerox project, with a WMF contribution of up to \$38,000 (excl. GST).
6. On 2 October 2017, the Ministry of Business, Innovation and Employment (MBIE) issued a press release advising that they had suspended all of their All of Government (AoG) contracts with Fuji Xerox due to historical

accounting malpractice, and a lack of trust in their suitability as an AoG contractor.

7. Following this suspension, the WMF team, in consultation with the MfE legal team, and the MBIE New Zealand Government Procurement and Property team, decided to advise Fuji Xerox that we would be seeking further clarification and assurance that the issues that had led to this suspension were not going to affect this project. Fuji Xerox was notified of our intended actions on 10 November.
8. Fuji Xerox provided MfE with additional information regarding the steps taken to prevent historic issues relating to the misuse of contracts for the purpose of increasing commission. These steps included:
  - a. changes to the governance structure,
  - b. advice over widespread personal changes, and
  - c. attempts to affect a major shift in corporate culture.

9. S 9(2)(h); S 9(2)(j)



10. S 9(2)(h)



11. S 9(2)(h); S 9(2)(j)



#### Recommendations / Actions

12. Consider the background information above.
13. Approve continuing Stage II project planning with the Intent to enter Deed.

## Recommendations

14. Approve continuing of Stage II project planning with the intent of signing a Deed of Funding between the Ministry for the Environment and Fuji Xerox New Zealand for the project entitled 'Project Alchemy'.

Hinemoa Awatere  
**Manager,**  
**Hono Tātaki, Resource Efficiency and Innovation**

Approve / Decline

Date: / /

Shaun Lewis  
**Director**  
**Mana Honhono, Investments and Partnerships**

Approve / Decline

Date: / /

James Walker  
**Deputy Secretary**  
**Partnerships and Customers**

Approve / Decline

Date: / /

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# Waste Minimisation Fund DEED OF FUNDING



*Ministry for the*  
**Environment**  
*Manatū Mō Te Taiāo*

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<b>PART A: PROJECT AND PARTIES</b>	
<b>DEED OF FUNDING</b>	The Recipient has applied and been approved for a funding grant from the Waste Minimisation Fund, administered by the Ministry. The grant is subject to the terms of this Deed of funding. This Deed is made up of the following parts: <ol style="list-style-type: none"> <li>1. Part A: Project and Parties</li> <li>2. Part B: Special Terms</li> <li>3. Part C: General Terms</li> <li>4. Any Schedules and Annexures attached to this Deed or incorporated by reference.</li> </ol>
<b>PROJECT NAME</b>	<i>Project Alchemy</i>
<b>DEED NUMBER</b>	<b>22336</b>
<b>DURATION</b>	<b>Commencement Date:</b> 27 April 2018
	<b>Expiry Date:</b> 1 September June 2019
<b>PROJECT PURPOSE</b>	<p>The purpose for which the grant is provided is:</p> <p>Our project team (FXNZ, Downer (New Zealand) and CTL) is keen to undertake a Feasibility Study to:</p> <ol style="list-style-type: none"> <li>1. Understand the feasibility of using waste toner produced in New Zealand to add to asphalt in New Zealand roads.</li> <li>2. Undertake a trial using TonerPave, containing FXNZ waste toner, in a New Zealand road, thus demonstrating a circular solution for New Zealand.</li> </ol>
<b>SUMMARY OF KEY PROJECT</b>	The Project Plan for the Project is attached as Annexure 1. The summary of key requirements: the Project milestones, activities and deliverables are set out in the Milestone Table of the Project Plan.



<b>REQUIREMENTS</b>		
<b>PARTIES</b>		
<b>MINISTRY</b>	THE SOVEREIGN in right of New Zealand, acting by and through the <b>Secretary for the Environment</b>	
<b>RECIPIENT</b>	Full legal name: Fuji Xerox New Zealand Limited (company number 65813)	
	Trading name (if different):	
<b>RECIPIENT CONTACT DETAILS</b>	Postal address: 79 Carlton Gore Road, Newmarket, Auckland 1023	
	Physical address: 79 Carlton Gore Road, Newmarket, Auckland 1023	
	<b>MAIN CONTACT PERSON</b>	<b>BACKUP CONTACT PERSON</b>
	<b>Name:</b> Emma Harding <b>Title:</b> Risk & Compliance Manager, Sustainability & Circular Economy <b>Phone:</b> +64 9 356 4200 <b>Mobile:</b> [REDACTED] <b>Email:</b> emma.harding@nzl.fujixerox.com	<b>Name:</b> Sian Flynn-Coleman <b>Title:</b> Risk & Compliance Manager, Sustainability & Ethics <b>Phone:</b> +64 935 64200 <b>Mobile:</b> [REDACTED] <b>Email:</b> <a href="mailto:sian.flynn-coleman@nzl.fujixerox.com">sian.flynn-coleman@nzl.fujixerox.com</a>
<b>MINISTRY FOR THE ENVIRONMENT DETAILS</b>	<b>MAIN CONTACT PERSON</b>	<b>BACKUP CONTACT PERSON</b>
	<b>Name:</b> Jay Hadfield <b>Title:</b> Policy Analyst <b>Phone:</b> [REDACTED] <b>Email:</b> Jay.hadfield@mfe.govt.nz	<b>Name:</b> Andrea Gregor <b>Title:</b> Policy Analyst <b>Phone:</b> [REDACTED] <b>Email:</b> Andrea.gregor@mfe.govt.nz
	<b>Address:</b> Environment House, 23 Kate Sheppard Place, Wellington 6011 PO Box 10362 Wellington 6143	

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**PART B SPECIAL TERMS**

**1. Intellectual Property: Use of Third Party Data**

1.1 If the Recipient incorporates any third party data into the Deliverables, the Recipient will:

- (i) ensure the applicable licence terms meet the Recipient's obligations in clause 3.7 (Intellectual Property) of Part C of this Deed;
- (ii) document in writing to the Ministry all applicable third party datasets; and
- (iii) comply with all applicable terms of the third party data licence(s).

**PART C: GENERAL TERMS**

**Section 1: Definitions and Interpretation**

**1.1 Definitions:** In this Deed, unless the context requires otherwise, the following definitions shall apply:

**"Capital Assets"** means those assets used in the production of goods or the rendering of services by the Recipient that are acquired, enhanced or brought to working order, by the Recipient using an amount of the Grant;

**"Capital Costs"** means costs incurred by the Recipient in acquiring an asset, enhancing an asset or in bringing an asset to working order or to a state in which it can produce the goods or render the services as required for the Project;

**"Clawback Amount"** means an amount calculated as follows:

Clawback Amount =  $G - (G \times (x/y))$ ,

Where, for the relevant Capital Asset:

G = that amount of the Grant applied to Capital Costs

x = the number of whole calendar months since the first payment of that part of the Grant applied to Capital Costs

y = the number of months of the restriction period set out in Schedule 4;

**"Commencement Date"** means the date specified in Part A of this Deed;

**"Deliverable"** means any deliverable the Recipient shall complete as part of the Project as set out in this Deed;

**"Deed"** means the legal agreement between the Ministry and the Recipient that comprises Parts A-C of this deed, and any and all Schedules, Annexures and Project Plans attached or incorporated by reference.

**"Expiry Date"** means the date specified in Part A of this Deed;

**"Financial Year"** means any 12 calendar month period, or part period thereof, commencing on the Commencement Date;

**"Force Majeure Event"** means:

- (a) fire, explosion, lightning, storm, flood, bursting or overflowing of water tanks, apparatus or pipes, earthquakes, riot and civil commotion;
- (b) failure by any utility company or other like body to carry out works or provide services;
- (c) any failure or shortage of fuel or transport;
- (d) war, civil war, armed conflict or terrorism;
- (e) any official or unofficial strike, lockout or other labour dispute;
- (f) governmental action; or
- (g) such other substantially similar circumstances which prevents either or both Parties from performing its obligations under this Deed;

**"Fund"** or **"WMF"** means the Waste Minimisation Fund as administered by the Ministry under the Waste Minimisation Act 2008 and all associated Regulations;

**"Grant"** means the sum of funding provided by the Ministry from the Fund pursuant to this Deed;

**"Insolvency Event"** means:

- (a) the Recipient is unable or is deemed to be unable to pay its debts when they fall due;
- (b) a receiver, liquidator or other encumbrancer is appointed to the Recipient or to any part of its assets or undertakings;
- (c) a compromise or arrangement is proposed or made between the Recipient and its creditors or any class of them;

- (d) any indebtedness of the Recipient is not paid when due or shall become due and payable or steps are taken to enforce any charge, mortgage or Security Interest for such indebtedness; and/or
- (e) any present or future charge, mortgage or Security Interest over or in respect of any of the assets of the Recipient becomes enforceable or is enforced;

**"Intellectual Property"** means all manner of intellectual property rights including (without limitation) patents, trademarks and service marks, logos, copyright, design rights and know-how whether registrable or not in any country;

**"Milestone"** means any milestone the Recipient shall complete as part of the Project as set out in this Deed;

**"Minister"** means the Minister for the Environment;

**"Parties"** means the Ministry and the Recipient;

**"Project"** means the project to be completed by the Recipient in accordance with the Project Plan;

**"Project Costs"** means those costs that are reasonable and either;

- (f) directly attributable to the Deliverables; or
- (a) if they cannot be directly attributed to the Deliverables, can be allocated to the Project in accordance with a standard cost allocation system and cost drivers,

measured in standard accrual accounting terms and excluding:

- (b) any mark up or profit margin by the Recipient (or a Sub-Recipient); and
- (c) any costs based on theoretical or perceived market rates;

**"Project Plan"** means the project plan agreed between the Parties as part of the funding process and appended to this Deed and incorporates any and all Project Milestone tables and Project budgets appended to this Deed;

**"Restriction Period"** means in respect of each Capital Asset, a period of 60 months from the date of first payment of any portion of the Grant applied to relevant Capital Costs;

**"Security Interest"** has the meaning given to that term in the Personal Property Securities Act 1999;

**"Sub-Recipient"** means any person or body which the Recipient funds in whole or in part from the Grant whether as a supplier, contractor or otherwise and whether by payment or grant; and

**"Working Day"** means any day on which banks are generally open for business in Wellington (other than Saturdays, Sundays or public holidays).

**1.2 Interpretation:** In the interpretation of this Deed, unless otherwise stated:

- (a) no executive or prerogative power or right, or any immunity, of the Crown is affected by this Deed;
- (b) "including" and similar words do not imply any limitation;
- (c) reference to the singular includes the plural and vice versa and references to any gender includes both genders;
- (d) headings are included for ease of reference only and shall not affect the interpretation of this Deed;
- (e) references to clauses and schedules are references to clauses of and schedules to this Deed;
- (f) amounts are in NZ\$ and exclude GST (if any);
- (g) if the Recipient comprises more than one person, each of those person's liability to the Ministry is joint and several;
- (h) references to a party or a person includes any form of entity and their respective successors, assigns and representatives; and
- (i) any statutory reference includes any statutory extension, amendment, consolidation or re-enactment and any statutory instrument, order or regulation made under any statute for the time being in force.

**1.3 Precedence:** In the event of a conflict between:

- (a) the terms of Part B and Part C of this Deed, Part B (Special Terms) shall take precedence;

- (b) Parts A-C of this Deed, and any other Schedule or attachment (including the Project Plan), Parts A-C of this Deed shall take precedence; and

except to the extent the parties expressly agree in writing otherwise with reference to this clause 1.3.

## Section 2: The Grant

- 2.1 **Grant amount:** The Ministry approves the Grant for the Project of the lesser of:
- (a) \$38,000.00 or
  - (b) the maximum percentage of the actual total cost of the Project, assessed over the duration of the Project, approved by the Ministry and specified in a Milestone table (if any); or
  - (c) An amount equal to the difference between the actual total cost of the Project and the total value (assessed by the Ministry) of any type of contribution to the Project by the Recipient and/or from any other source.
- 2.2 **Maximum:** Under no circumstances shall the funding payable to the Recipient exceed the amount specified in 2.1(a).
- 2.3 **Multi-year Projects:** If the Project spans or shall span over multiple Financial Years, the terms in Schedule 5 (Multiyear Projects) shall apply.
- 2.4 **Capital Assets:** The terms in Schedule 4 (Capital Assets) shall apply to Capital Assets (if any).
- 2.5 **Full funding obtained:** The Recipient warrants and represents that it has obtained full funding for the Project and in any event will not require any further funding from the Ministry in order to complete the Project.
- 2.6 **Use of Grant:** The Recipient must only use the Grant for proper purposes and within the scope of the Project. The Ministry may recover any Grant monies which are misappropriated or not spent in accordance with this Deed. In particular, the Recipient shall:
- (a) ensure that the Grant is only used for costs that are Project Costs and, to the extent the costs allocated to the Project also relate to other purposes of the Recipient, are allocated in a proportional manner;
  - (b) ensure that expenses incurred in carrying out the Project are reasonable and in accordance with Schedule 1 (Expense Policy);
  - (c) not use any part of the Grant for Capital Costs, except with the prior written agreement of the Ministry;
  - (d) account for the Grant received under this Deed in accordance with generally accepted accounting practices, with appropriate internal controls to ensure that the Grant is applied for the purposes of this Deed;
  - (e) establish and maintain for the period of the Project, cost codes that relate specifically to all costs incurred for the purposes of this Project so that the Project Costs can be categorised and reported by their nature;
  - (f) comply with any cost policies provided by the Ministry from time to time in relation to the accounting treatment of Project Costs and use of the Grant;
  - (g) ensure that the Grant is used to fund the Project Costs of a Sub-Recipient or subcontractor specified in the Project Plan, when those costs are properly due and payable;
  - (h) follow appropriate procurement processes when buying goods or services for the Project so that only reasonable, open market costs are incurred on an arm's length basis avoiding any conflict of interest. If a conflict of interest is unavoidable the conflict must be declared to the Ministry and managed appropriately by the Recipient;
  - (i) not claim for costs or expenses that have been, or will be, claimed from other sources, except as expressly provided for in this Deed; and
  - (j) not claim or use any part of the Grant to support or assist activities which are political (e.g. supporting a political party or movement, running a political campaign, or lobbying against the Government).
- 2.7 **Eligibility:** Without prejudice to any other rights to which the Ministry may be entitled, the Recipient accepts that eligibility for payment of the Grant may, at the Ministry's sole discretion, be lost if:
- (a) claims for payment and related information are not given to the Ministry by the day thirty calendar days following the due date of the final Deliverable; or

- (b) the Project is not completed by the Expiry Date; or
  - (c) the Project is not completed by and claims for payment (and any required supporting documentation) are not given to the Ministry by the end of the Financial Year in which the Expiry Date falls.
- 2.8 **Public statements:** The Recipient shall ensure no public statement is made by or on behalf of the Recipient (or any Sub-Recipient) relating to the commencement of this Deed, the Grant or the Project before such a statement is made by the Ministry or Minister.
- 2.9 **No Retrospective Costs:** The Ministry will not be liable for any costs or liabilities incurred by the Recipient prior to the Commencement Date.

### Section 3: General Terms and Conditions

- 3.1 **Entire Agreement:** This Deed (including the Project Plan and attachments) contains everything the Parties have agreed on in relation to the Grant. In the event of any conflict, the terms of Parts A-C of this Deed shall prevail. No Party can rely on an earlier document, or anything said or done by another Party, or by a director, officer, agent or employee of that Party, save as permitted by law.
- 3.2 **Variation:** This Deed may only be varied by agreement in writing and signed and delivered as a deed by the duly authorised representatives of the Parties.
- 3.3 **Severability:** If any term of this Deed becomes or is declared by any court to be invalid or unenforceable in any way:
- (a) such invalidity or unenforceability shall in no way impair or affect the remainder of the Deed which will remain in full force and effect; and
  - (b) the invalid or unenforceable term will be replaced with a provision which as far as possible accomplishes the original purpose of the term.
- 3.4 **Waiver:** Any delay or failure by either Party at any time to exercise (in whole or in part) any right or remedy under this Deed shall not be construed as a waiver of any such right or remedy and shall not affect the validity of the Deed (in whole or in part). No waiver shall be effective unless it is expressly stated in writing to be a waiver and communicated to the other Party in writing. Any waiver will not constitute a waiver of any subsequent exercise of the same right or remedy in the future.
- 3.5 **Governing Law and Jurisdiction:** This Deed is governed by the law of New Zealand and the Parties submit to the exclusive jurisdiction of New Zealand's courts.
- 3.6 **Dispute Resolution Procedure:**
- (a) If any dispute arises out of or in connection with this Deed, the main contact persons of each Party shall use all reasonable endeavours to resolve it as promptly as possible within 15 Working Days of a Party notifying the other Party of the dispute ("Date of Notification"). Subject to such persons having met at least twice, either Party may at any time formally refer such dispute to their respective Chief Executives (or equivalent) for resolution within 10 Working Days of the date of referral.
  - (b) If a dispute is not settled in accordance with clause 3.6(a), either Party may refer the dispute to:
    - (i) mediation or some other form of alternative dispute resolution ("Mediation") conducted in New Zealand and governed by New Zealand law; or
    - (ii) the jurisdiction of the New Zealand courts.
  - (c) If the Parties do not agree within 5 Working Days of reference of the dispute to Mediation (or such other period as agreed by the Parties in writing):
    - (i) the resolution of the dispute;
    - (ii) the mediation procedures to be adopted;
    - (iii) the timetable for all steps in those procedures; and
    - (iv) the selection and compensation of the independent person required for the Mediation,
 then the Parties shall mediate the dispute per the mediation rules of the Arbitrators' and Mediators' Institute of New Zealand Inc ("AMINZ") and the Chair of AMINZ (or his or her nominee) shall select the mediator and determine the mediator's remuneration. The Parties shall make all reasonable efforts to resolve the dispute by Mediation within 3 months (or such other period as agreed by the Parties in writing) from the Date of Notification. If the dispute is not resolved by Mediation within such period, the Parties may seek any other remedies available to them.

- (d) Nothing contained in this clause 3.6 shall prevent either Party, in an emergency, seeking any interim or interlocutory relief from the court.
- (e) Except in respect of Mediation (the costs of which shall be paid as set out above), each Party shall pay their own costs for resolving any dispute.

3.7 **Intellectual Property Rights:**

- (a) **Pre-existing Intellectual Property:** Intellectual Property owned by a Party or its licensors prior to the commencement of this Deed and Intellectual Property developed by a Party independently from this Deed, remains the property of that Party or its licensors as the case may be.
- (b) **New Intellectual Property:** Subject to clause 3.7(a) and the Recipient complying with the terms of this Deed, any Intellectual Property created or developed in the course of the Project shall become the property of the Recipient or its licensors.
- (c) **Recipient Intellectual Property:** The Recipient grants to the Ministry a non-exclusive, sublicensable, royalty free, perpetual and irrevocable licence to use, modify, develop, sublicense and disseminate for any purpose all Intellectual Property owned by the Recipient or its licensors that forms part of the Deliverables.
- (d) The Recipient warrants and represents that it is legally entitled to grant the licence stated in clause 3.7(c).

3.8 **Third Party Rights:** Unless expressly stated no part of this Deed shall create rights in favour of any third party pursuant to the Contracts Privity Act 1982.

3.9 **Term:** This Deed shall commence on the Commencement Date and shall, subject to either party's rights of termination under this Deed, continue in force until the Recipient has completed the Deliverables to the reasonable satisfaction of the Ministry.

3.10 **Consequences of Expiry / Termination:** Termination of this Deed shall be without prejudice to any rights or liabilities accrued at the date of termination, provided that the Ministry shall cease to have any obligation to pay the Grant to the Recipient (which may, at the Ministry's sole discretion, include payment of any overdue or outstanding invoices).

3.11 **Notices:** Any notice given under or pursuant to this Deed shall be in writing and signed by an authorised person and may be delivered personally by hand, post or email to the other party at the address stated in this Deed. Notices shall be deemed delivered as follows:

- (a) if delivered personally by hand, at the time of delivery;
- (b) if posted, on the third Working Day after posting;
- (c) if emailed, on the day of successful transmission as confirmed by the email system; and
- (d) if delivered after 5pm, at 9am the next Working Day.

3.12 **Counterparts:** This Deed may be executed by the Parties in two or more counterparts (including emailed copies), each of which shall be deemed an original but when taken together will constitute a binding and enforceable agreement between the Parties.

3.13 **Force Majeure:** A Party ("the affected party") shall not be liable to the other Party for any delay or failure to perform any of their obligations under this Deed if such delay or failure results from a Force Majeure Event, provided that where a Party seeks to rely upon this clause:

- (a) As soon as the affected party becomes aware of the Force Majeure Event, it shall immediately notify the other Party and confirm the estimated period that the delay or failure shall continue.
- (b) The affected party shall use its best endeavours to continue to perform its obligations under this Deed and minimise the effect of the event for the duration of any Force Majeure Event.
- (c) If any Force Majeure Event prevents the affected party from performing all of its obligations under the Deed for a period in excess of 30 calendar days, either Party may terminate the Deed by notice in writing with immediate effect.

The affected party will not be entitled to relief under this clause in any circumstances to the extent that it has directly or indirectly caused or substantially contributed to any delay or failure in the performance of its obligations.

3.14 **Survival:** The following clauses shall remain in full force and effect after expiry or termination: clauses 2.9 (No Retrospective Costs), 3.5 (Governing Law and Jurisdiction), 3.6 (Dispute Resolution Procedure), 3.7 (Intellectual Property Rights) 3.11 (Notices), 4.5 (Endorsement), 4.6 (Publications), 4.7 (Project

Information), 4.10 (Allow Access), 4.11 (Confidentiality), 4.12 (Recordkeeping), 4.13 (Official Information Requests), 4.14 (Reputations), 4.15 (Third Party Intellectual Property Rights), 4.19 (Insurance), 4.23 (Default Interest), 4.24 (Indemnity), 5.3 (Project Review), 5.4 (Ministry Publicity and Confidentiality), 5.5 (Recovery of Grant), 5.8 (Ministry Not Liable), Schedule 2 (Printed Publications), Schedule 3 (Audit), Schedule 4 (Capital Assets), Schedule 5 (Multiyear Project), this clause and any other clauses of this Deed which by their nature are intended to survive expiry or termination of this Deed.

#### Section 4: Recipient's Rights and Obligations

- 4.1 **Project Delivery:** The Recipient must carry out the Project and complete the Deliverables in accordance with the Project Plan, the terms and conditions of the Deed and to the Ministry's reasonable satisfaction. In particular the Recipient shall:
- (a) promptly and efficiently carry out the Project with due skill, care and diligence in accordance with generally accepted standards of the Recipient's profession(s) or industry;
  - (b) achieve successful, timely completion of the Milestones and Deliverables on or before their due date;
  - (c) give the Project appropriate priority over other activities and not divert resources away from the Project which may cause delays in its completion;
  - (d) efficiently and economically source and provide everything the Recipient needs to undertake the Project at the Recipient's risk and cost;
  - (e) comply with all New Zealand, and each relevant jurisdiction's, laws, codes and standards and all applicable international conventions;
  - (f) without limiting the generality of clause 4.1(e), comply at all times with the requirements and provisions of the Hazardous Substances and New Organisms Act 1996 (HSNO Act), Resource Management Act 1991 (RMA) and the Health and Safety at Work Act 2015 (HSWA) (and any amendments or replacements to those Acts) and any related regulations, codes of practice and industry best practice guidelines;
  - (g) obtain every necessary and prudent authorisation in order to carry out the Project before any actions requiring the authorisations are commenced and comply with such consent or authorisation; and
  - (h) maintain an appropriate governance structure, including compliance with any relevant legislative requirements.
- 4.2 **Personnel:** The Recipient shall:
- (a) carry out the Project only using appropriately trained, qualified, experienced and supervised personnel;
  - (b) ensure that all of its employees and personnel (including Sub-Recipients and sub-contractors) are trained in the relevant health and safety requirements applicable to the Project (confirmation of relevant training is to be provided to the Ministry if requested);
  - (c) ensure that all of its employees and personnel and any other parties associated with the Project, including Sub-Recipients, sub-contractors, service providers, the public, and any visitors, undergo appropriate safety briefings and health and safety inductions;
  - (d) ensure that all of its employees and personnel (including Sub-Recipients and sub-contractors) are aware of potential liabilities and obligations under the environmental laws and regulations relevant to the Project;
  - (e) end the involvement with the delivery of the Project of any of the Recipient's personnel to the extent reasonably requested by the Ministry; and
  - (f) ensure that any specified key personnel carry out the Project.
- 4.3 **Keep the Ministry Informed:** The Recipient shall keep the Ministry properly informed in writing (and in electronic form if requested) about:
- (a) progress and important issues in relation to the Project including notifying the Ministry immediately if it becomes aware of any issues that may affect delivery of the Project in accordance with the Project Plan or that may require any material changes to be made in relation to the Project, or that might give rise to liability or enforcement action under any laws and obligations;

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- (b) any enforcement action commenced against the Recipient under the HSNO Act, RMA or HSWA, or any other laws, regulations, codes, standards or applicable International Convention, in any capacity; and
- (c) material health and safety information in relation to the Project including, but not limited to:
- (i) reports of occurrences of safety incidents, details of damaged property, unsafe or hazardous acts or conditions (as soon as practicable);
  - (ii) details of non-compliances or any details of any new hazards or significant amendments to the Recipient's safety management plan; and
  - (iii) evidence if requested, that regular health and safety meetings are held and that scheduled audits have been completed. (The Recipient agrees that a representative of the Ministry may be present at such meetings or audits or inspections from time to time).
- 4.4 **Reports and meetings:** The Recipient shall provide the Ministry with reports, and attend meetings, as required by the Ministry from time to time.
- 4.5 **Endorsement:** The Recipient acknowledges and agrees that the Minister does not necessarily endorse the Project and accordingly the Recipient shall not represent that the Minister endorses the Project. However, the Recipient will appropriately acknowledge the Grant in all publications and publicity about the Project, and the form and content of such acknowledgement shall comply with Schedule 2 (Printed Publications) and/or with any requirements that the Ministry may specify.
- 4.6 **Publications:** The Recipient shall comply with the requirements detailed in Schedule 2 (Printed Publications) in respect of any publication (in any form) arising from this Deed or the Grant.
- 4.7 **Project Information:** The Recipient shall make information about the Project (particularly outcomes) freely available to any person who wishes to use it for any non-profit purpose. In each publication (in any form) which results from the Project, the Recipient shall comply with the copyright statement requirements in Schedule 2 (Publications) and shall state that the use and copying of the information for non-profit purposes is welcomed and allowed.
- 4.8 **Post-Project review:** The Recipient agrees that following the expiry or termination of this Deed, it shall provide access to its personnel and make information available as reasonably required by the Ministry for the purposes of reviewing the Project and/or the Fund.
- 4.9 **Invoices:** Upon completion of each Milestone the Recipient will promptly provide the Ministry with a correct tax invoice for the successful provision of that Milestone (including all relevant Deliverables), priced in accordance with the Project Plan and this Deed. All invoices must quote this Deed's deed number.
- 4.10 **Allow Access:** The Recipient agrees that upon the Ministry's request it shall provide, at all reasonable times and upon reasonable notice, access to their premises, personnel and records (physical files and electronic) for the purpose of audit and verification of work undertaken, use of the Grant and other reasonable purposes in connection with this Deed in accordance with clause 5.3 and Schedule 3 (Audit). The Recipient shall ensure that the Ministry has the same rights of access in respect of any Sub-Recipient.
- 4.11 **Confidentiality:** The Recipient must keep confidential and secure all information disclosed by the Ministry in connection with the negotiation or performance of this Deed, including the terms of this Deed (collectively "Confidential Information"). The Recipient must not disclose any Confidential Information except:
- (a) with the Ministry's prior written consent;
  - (b) as necessary to fulfil the Recipient's obligations in this Deed;
  - (c) to the extent the Confidential Information is in the public domain (other than through a breach by the Recipient of its obligations in this clause); or
  - (d) as otherwise required by law.
- 4.12 **Recordkeeping:** The Recipient shall keep accounts (to Generally Accepted Accounting Practice standards) and other records, and have a system acceptable to the Ministry, which enables prompt and accurate verification of any matter in relation to the Project, particularly about how the Grant has been or will be used, and what expenditure by item has been incurred. Records must be retained and available for review, audit, copying and use by the Ministry's representatives at any time during, and for at least 7 years after the Expiry Date.
- 4.13 **Official Information Requests:** The Recipient shall immediately transfer to the Ministry any request received by it for information under the Official Information Act 1982 in relation to this Deed and shall advise the person requesting the information of such transfer. The Ministry and the Minister may be required to disclose information that either hold in accordance with the Official Information Act. One category of information that may not be required to be disclosed is commercially sensitive information. To assist the Ministry to assess information it holds for the purposes of the Official Information Act, the

Recipient shall mark clearly all commercially sensitive information as commercially sensitive when the Recipient provides that information to the Ministry.

- 4.14 **Reputations:** The Recipient shall not knowingly or recklessly, do permit or omit, to do anything that may attract adverse publicity or damage the reputation of the Fund, the Minister, the Ministry or the New Zealand Government.
- 4.15 **Third Party Intellectual Property Rights:** The Recipient:
- (a) warrants that it has a legal entitlement to use the Intellectual Property provided as part of the Deliverables and that providing the Deliverables does not infringe the Intellectual Property of any third party; and
  - (b) indemnifies the Ministry against any claim arising from the Recipient's infringement or alleged infringement of any third party's Intellectual Property or the Ministry's claim of Intellectual Property developed under or in connection with this Deed.
- 4.16 **Representations and Warranties:** The Recipient represents and warrants to the Ministry that:
- (a) it has full power and authority to enter into and perform this Deed and this Deed has been executed by a duly authorised representative of the Recipient;
  - (b) all information, documents and accounts of the Recipient submitted to the Ministry for its appraisal of the Project for the purposes of this Deed are true and accurate and no change has occurred since the date on which such information was supplied which renders the same untrue or misleading in any respect and that there has been no material adverse change in the business, assets, operations or prospects of the Recipient since such information was provided; and
  - (c) the Recipient has disclosed to the Ministry all information which would or might reasonably be thought to influence the Ministry in awarding the Grant to the Recipient or the amount thereof.
- 4.17 **Assignment:**
- (a) The Recipient's rights to the Grant pursuant to this Deed are exclusive to the Recipient and the Recipient must not assign or otherwise transfer any benefit or burden of this Deed. Any transfer of shares, or any other arrangement affecting the Recipient which results in a change in the effective control of the Recipient, through whatever means, will be deemed to be an assignment of this Deed, requiring the prior approval in writing of the Ministry. No assignment releases or discharges the assignor from any obligation under this Deed.
  - (b) The assignment by the Recipient of any of its rights or obligations under this Deed in whole or in part will not relieve the Recipient in any form whatsoever from its responsibility for due performance of this Deed in accordance with its terms.
- 4.18 **Subcontracting:** The Recipient may sub-contract any of its obligations or make any sub-grant under this Deed subject to the following conditions:
- (a) Even if aspects of the Project are sub-contracted the Recipient continues to be responsible for delivery of the Project and performance of this Deed and will remain wholly responsible for the work, acts and/or omissions of all Sub-Recipients;
  - (b) The Recipient is responsible for ensuring the suitability of any Sub-Recipient and the Sub-Recipient's capability and capacity to deliver the aspect of the Project being sub-contracted;
  - (c) The Recipient must ensure each Sub-Recipient is fully aware of the Recipient's obligations under the Deed and any sub-contract or sub-grant arrangement it enters into is on terms consistent with this Deed;
  - (d) The Recipient shall be responsible for any fees or expenses claimable by the Sub-Recipients and for any costs incurred by the Recipient in employing the Sub-Recipients;
  - (e) The Recipient must inform the Ministry of the involvement of any Sub-Recipients and disclose in writing to the Ministry all material interests (including all direct or indirect financial interests) in any Sub-Recipient; and
  - (f) The Recipient must promptly end the involvement of any Sub-Recipient (or any of their personnel) or any sub-grant as may be reasonably requested by the Ministry.
- 4.19 **Relationship and Authority:**
- (a) Nothing in this Deed shall constitute a partnership (being a relationship between persons carrying on a business in common with a view to profit), joint venture, principal/agent or employer/employee relationship between the Parties for any purposes. The relationship between the Parties is a relationship only for the supply of funding on the terms set out in this Deed.

- (b) The Recipient does not have the Ministry's (or the Minister's) authority to say or do anything on behalf of the Ministry (or the Minister).
- 4.20 **Insurance:**
- (a) The Recipient must, at the Recipient's cost, have and maintain appropriate insurance cover with a reputable insurance company to cover its liabilities arising out of the Project for the term, and for a period of 24 months following the termination or expiry, of this Deed. The Recipient shall provide the Ministry with evidence to the Ministry's reasonable satisfaction of such cover upon demand.
- (b) If the Ministry suffers any loss or damage as a result of any act or omission of the Recipient its employees, agents or contractors, the Recipient shall fully indemnify the Ministry.
- 4.21 **Health and safety systems:** At all times the Recipient will have in place, implement and operate safety management systems which comply with the HSWA (and any amendments or its replacements) and any applicable regulations, codes of practice and industry best practice guidelines. The Recipient is required to ensure that all safe work procedures and practices developed for the Project meet all statutory and regulatory requirements.
- 4.22 **Financing Statements:** The Recipient agrees to not register a financing statement against the Ministry, the Minister or the New Zealand Government on the Personal Property Securities Register in respect of the arrangements under this Deed.
- 4.23 **Default Interest:** If the Recipient fails to pay, when due, an amount payable by it under this Deed then, without prejudice to its other obligations, the Recipient will pay default interest on that overdue amount (including interest payable under this clause) calculated from its due date to the date of its receipt by the Ministry (after as well as before judgment) payable daily and to the extent not paid in any calendar month compounded on the first day of the next calendar month. This obligation to pay default interest will arise without the need for notice or demand. The rate of default interest in a calendar month will be 5 per cent per annum above the Ministry's cost of funds (expressed as an annual percentage rate) from whatever sources the Ministry may select, calculated on a daily basis.
- 4.24 **Indemnity:** The Recipient will, on demand, indemnify the Ministry against any cost, loss, expense or liability (including all reasonable legal expenses on a full indemnity basis) incurred by the Ministry as a result of or in connection with any amount payable by the Recipient to the Ministry not being paid when due.

### Section 5: Ministry's Rights and Obligations

- 5.1 **Payment:** The Ministry shall pay the relevant portion of the Grant from the Fund in arrears to the Recipient upon the Recipient's successful completion of each Milestone (including all relevant Deliverables), as set out in the Project Plan, subject to:
- (a) the Recipient's compliance with the terms of this Deed; and
- (b) the availability of funds, or reductions, in the Fund due to changes in the levy prescribed under, or other relevant amendments of, the Waste Minimisation Act 2008 and associated Regulations, changes in waste disposal patterns, or directives of the New Zealand Government.
- 5.2 **Invoice:** Payment of any Grant monies is not due until the Ministry has received a detailed tax invoice (along with all supporting documentation required by the Ministry) from the Recipient and the Milestone (including all relevant Deliverables) to which the tax invoice relates has been completed to the Ministry's reasonable satisfaction. Sufficient evidence of the costs incurred by the Recipient in undertaking the Project, requested by the Ministry from time to time, shall be provided promptly upon the Ministry's request.
- 5.3 **Project Review:** The Ministry may, in accordance with clause 4.10 (Allow Access), observe and inspect anything at any time in relation to the Project and for the purposes of audit in accordance with Schedule 3 (Audit).
- 5.4 **Ministry Publicity and Confidentiality:** The Ministry may disclose (including via the Ministry's website on the Internet) any information in relation to the Project to anyone at any time. However, the Ministry shall not publicly disclose information that is deemed by the Ministry to be commercially sensitive except:
- (a) with the Recipient's prior written consent;
- (b) as necessary to fulfil the Ministry's obligations in this Deed or to use the Deliverables;
- (c) to the extent the information is in the public domain (other than through a breach by the Ministry of its obligations in this clause);

- (d) as otherwise required by law, including the Ministry's obligations under the Official Information Act 1982, the Privacy Act 1993 and any other legislation or regulations relevant to its operations and nothing in this agreement applies to any disclosure required under any such legislation or regulations; or
- (e) as required by a Select Committee or a Minister of the Crown, parliamentary convention or by procedures in relation to the appropriation of public money.

**5.5 Recovery of Grant:**

- (a) The Ministry may reduce, suspend, or withhold the Grant or require all or part of the Grant to be repaid, if:
  - (i) the Ministry judges the performance of the Project to be unsatisfactory;
  - (ii) the Recipient breaches clause 2.6 (Use of Grant) of this Deed or fails to comply with any other term or condition of this Deed that the Ministry considers to be material;
  - (iii) any enforcement action is commenced against the Recipient under laws, regulations, codes, standards or any applicable conventions in relation to the Project or in any other capacity;
  - (iv) this Deed is terminated in accordance with clause 5.6 (Termination);
  - (v) there is a substantial change to the Project which the Ministry has not approved;
  - (vi) any information provided in the application for funding, in a claim for payment, or in subsequent or supporting correspondence is found to be incorrect or incomplete to an extent which the Ministry considers to be material;
  - (vii) if the Ministry judges the performance of the Recipient regarding health and safety in relation to the Project to be unsatisfactory;
  - (viii) the Ministry has consented to a change in the Project which in its opinion reduces the amount of Grant needed;
  - (ix) an Insolvency Event occurs in relation to the Recipient; or
  - (x) any other circumstances or events that in the reasonable opinion of the Ministry are likely to adversely affect the Recipient's ability to deliver the Project in accordance with the requirements for the delivery of the Project or result in a risk that the Project as approved will not be completed.
- (b) The Recipient agrees that on receipt of notice requiring repayment of the Grant (or a portion thereof) it shall make such repayment within 20 Working Days of the date of the notice.

**5.6 Termination:** Without prejudice to any other rights to which the Ministry may be entitled, if:

- (a) the Recipient breaches, or fails to properly or promptly perform, any of the Recipient's obligations in a way that the Ministry considers to be material;
- (b) the Recipient fails to achieve any Milestone in a way that the Ministry considers to be material;
- (c) any direct or indirect change of ownership or control of the Recipient occurs which is contrary to clause 4.17 (Assignment) and in the reasonable opinion of the Ministry reduces the Recipient's ability to perform its obligations under this Deed;
- (d) an Insolvency Event occurs in relation to the Recipient;
- (e) the Ministry believes that the Recipient is generally in financial difficulty which, in the reasonable opinion of the Ministry, reduces the Recipient's ability to perform its obligations under this Deed; and/or
- (f) the Ministry reasonably considers that the Recipient and/or any acts or omissions of the Recipient (whether or not related to the Project):
  - (i) is bringing the Fund, the Ministry, the Minister or the New Zealand Government into disrepute; and/or
  - (ii) has become undesirable in light of the Fund's objectives or those of the Minister,
- (g) any enforcement action against the Recipient is successful under laws, regulations, codes, standards or any applicable conventions in relation to the Project;
- (h) if the Ministry judges the performance of the Recipient regarding health and safety in relation to the Project to be unsatisfactory,

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then the Ministry may:

- (i) withhold any payment otherwise due to the Recipient until the matter is resolved to the Ministry's reasonable satisfaction; and/or
- (j) suspend or terminate (in whole or in part) this Deed by written notice to the Recipient with immediate effect.

5.7 **Termination by Notice:** The Ministry may terminate this Deed at any time by giving the Recipient at least one month's written notice.

5.8 **Ministry Not Liable:** The Ministry will not be liable in contract, tort (including negligence) or otherwise to the Recipient or any other person for any direct or indirect damage, loss or cost whatsoever in relation to this Deed and the Recipient carrying out the Project.

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## SCHEDULE 1: EXPENSE POLICY

The purpose of this expense policy is to provide the Recipient with guidance on what the Ministry considers to be reasonable travel-related expenses.

If the Recipient is eligible to claim travel-related expenses as indicated in this Deed, this policy applies unless the Deed expressly provides an exception to this policy. No travel-related expenses are payable by the Ministry if this Deed does not expressly provide for them.

### Air Travel

The Ministry encourages non-flexible fares as often there is little or no difference between buying two non-flexible fares and paying for a fully flexible fare, hence making the risk of cancellation worthwhile. The Ministry encourages the purchase of the cheapest fares (unless there are valid reasons for not buying these). **International air travel is not covered by the Grant unless the Deed expressly states otherwise.** Where alternatives to travel are available, such as video conferencing or teleconferencing, please use these.

### Travel expenses

Actual and reasonable expenses (on receipt) for meals and other incidental expenses while on out-of-town business for the purpose of the Project may be claimed.

We have indicated actual and reasonable (meals) as follows:

- Breakfast \$20
- Lunch \$20
- Dinner \$40

Alcohol purchases are a personal expense and therefore cannot be charged back to the Ministry as part of Travel expenses.

### Accommodation

The Ministry will contribute up to \$160 per night (GST exclusive) for accommodation in New Zealand.

### Taxis/parking

Taxi costs may be reimbursed if used as part of the Project. The Recipient must provide receipts for taxi fares and/or parking costs. If supporting documentation cannot be provided, the charge will not be reimbursed.

### Phone calls

The Recipient should ensure the cheapest option is used for making calls. Personal calls are not covered by the Grant. Project related calls are reimbursed upon receipt of supporting documentation. Calls charged to hotel bills are often extremely expensive and should be avoided where possible.

### Mini-bar

Mini-bar charges are a personal expense and therefore cannot be charged back to the Ministry as part of the Recipient's accommodation bill.

### Use of private motor vehicle

The Recipient may use a private vehicle for business relating to the Project. Mileage may be claimed at the standard mileage rate for motor vehicles stated on the 'Mileage rate for self-employed people and reimbursing employees' page on the Inland Revenue website. Where travel is undertaken in a personal vehicle, the assumption is that the individual travelling is principally responsible for insurance coverage. The Ministry will not be liable for any costs incurred in the event of an accident under these circumstances.

## SCHEDULE 2: PRINTED PUBLICATIONS

### Ministry for the Environment Logo

The Ministry logo may not be used in any publication without the prior and express written approval of the Ministry; any use must be consistent with the guide to using the logo provided by the Ministry.

### Acknowledgments

All publications must acknowledge that financial support has been received from **“the Waste Minimisation Fund, which is administered by the Ministry for the Environment.”**

### Disclaimer Clause

The following disclaimer must appear on the inside front cover of all publications supported by the Waste Minimisation Fund.

*“The Ministry for the Environment does not necessarily endorse or support the content of the publication in any way.”*

### Copyright Clause

All publications supported by the Waste Minimisation Fund must include the following clause relating to copyright:

*“This work is copyright. The copying, adaptation, or issuing of this work to the public on a non-profit basis is welcomed. No other use of this work is permitted without the prior consent of the copyright holder(s).”*

Or an alternate version is:

*“Reproduction, adaptation, or issuing of this publication for educational or other non-commercial purposes is authorised without prior permission of the copyright holder(s). Reproduction, adaptation, or issuing of this publication for resale or other commercial purposes is prohibited without the prior permission of the copyright holder(s).”*

### Paper and Ink

You should consider using environmentally sound paper and inks when producing publications. Preferably use paper with a recycled content that is either elemental chlorine free or totally chlorine free. Specify vegetable inks or mineral-free inks wherever possible.

### Electronic Copies of Written Material

On completion of the Project all written results must be provided in an electronic Word Format plus two printed copies. Where possible, please also publish electronic copies of written material to your website and provide us with the URL. We will link to these from our website.

### Websites

It is recommended that any website, or content published on a website, developed using the Grant is developed in accordance with the NZ Government Web Guidelines to ensure it is accessible to a wide audience.

Some elements of the Guidelines are not applicable to non-government agency websites, but particular attention should be paid to section 6 "Delivering content" and section 7.4 "Forms" of the New Zealand Government Web Guidelines version 2.1 (see [www.e-government.govt.nz/web-guidelines/](http://www.e-government.govt.nz/web-guidelines/)).

Other aspects of the New Zealand Government Web Guidelines should be considered and followed where applicable and practical.

### Information systems

It is recommended that any information system, including databases, developed using funds from this Deed observes the standards in the E-government Interoperability Framework (e-GIF). Following the e-GIF will allow the information system to more easily work together with systems in government agencies and other organisations that are following the e-GIF.

Any programmes, databases or spreadsheets must have instructions for their use, including the versions of software needed to run databases or spreadsheets, and the platforms on which the software will run. These instructions should be in the form of a short word file.

### SCHEDULE 3: AUDIT

#### Scope of audit

Waste Minimisation Fund projects may be randomly selected for an audit. The Ministry may also carry out an audit at its sole discretion. An audit may take the form of a full technical, financial, compliance and/or health & safety audit, or a more informal assessment, of the Recipient and/or Sub-Recipient(s). The purpose of an audit is to check compliance with the terms and schedules of this Deed, the appropriate use of the Grant and/or reviewing the Recipient's ability to perform any obligations under or in connection with this Deed.

#### Audit requirements

The Ministry will inform the Recipient if an audit is to be carried out (**Notification of Audit**) and will seek an appropriate date and time for both parties. The Recipient must within three Working Days of the Notification of Audit agree a date and time. The date of the audit must be within 10 Working Days of the Notification of Audit. Audits will usually be carried out either by a fully qualified accountant or technical specialist who is independent of the Ministry or by Ministry staff. In most cases, the Ministry's representative for the Project will accompany the auditor. The Recipient must promptly provide or ensure the provision of adequate access, assistance and facilities for audit personnel as required by the Ministry during the hours of 8:00am and 5:00pm on Working Days.

#### Audit report

A full report of the outcome of any audit may be available to the Recipient upon request.

#### Cost of audit

In the event that the audit reveals any misappropriation of the Grant or material discrepancies (particularly those related to Deliverables), the Recipient will be liable for the costs of an audit, as well as the repayment of any misappropriated Grant monies.

<b>SCHEDULE 4: CAPITAL ASSETS</b>
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**1. Asset Register**

Capital Asset	Capital Cost	Portion of Grant	Restriction Period
n/a	n/a	n/a	n/a

**2. Additional Terms and Conditions**

- 2.1 All Capital Assets will be and remain the property of the Recipient and will at all times be at the risk of the Recipient. The Recipient will bear the risk of any loss, theft, damage or destruction of any Capital Assets and if Capital Assets require repair or replacement, the Recipient will bear the cost of such repair or replacement.
- 2.2 The Recipient will maintain an up to date register of Capital Assets in the form set out in section 1 of this Schedule 4. Any changes to the register shall be made in accordance with this Deed and promptly notified to the Ministry in writing.
- 2.3 In consideration of the Ministry consenting to the application of all or part of the Grant to pay for Capital Costs, the Recipient agrees that, during the Restriction Period, the Recipient's ability to deal with Capital Assets shall be restricted as set out in sections 2.4 to 2.9 below.
- 2.4 During the Restriction Period, the Recipient shall not, without the prior written consent of the Ministry:
- (a) sell, assign or pledge any Capital Asset; or
  - (b) underlet, lend or otherwise part with possession of any Capital Asset; or
  - (c) create, agree to create, allow to come into existence or permit to subsist any Security Interest, mortgage, charge (fixed or floating), encumbrance, hypothecation, lien, pledge, trust, finance lease, deferred purchase, sale and lease-back, sale and repurchase, flawed asset arrangement, title retention or any other arrangement which has the practical effect of securing payment or performance of an obligation over or affecting all or any part of any Capital Asset.
- 2.5 During the Restriction Period, the Recipient shall:
- (a) protect all Capital Assets against distress, execution and seizure;
  - (b) maintain all Capital Assets in a good state of repair and in good working order and condition; and
  - (c) upon request by the Ministry, notify the Ministry of the present location of any Capital Asset.
- 2.6 During the Restriction Period the Recipient shall maintain at its cost insurance for all Capital Assets against all such risks as it is prudent in accordance with best commercial practice to insure against and any other risks which the Ministry may from time to time reasonably require for their full replacement value or on such other basis as the Ministry may agree in writing, and shall provide evidence of such insurance as and when reasonably requested by the Ministry.
- 2.7 If any of the following events occurs (whether or not within the control of any party) at any time prior to the expiry of the Restriction Period:
- (a) the Recipient fails to perform or observe any obligation under this Deed regarded by the Ministry as material, including the obligations in sections 2.4 to 2.6 in this Schedule 4, and, in the case of a failure which is capable of remedy, that failure is not remedied within 10 calendar days after written notice thereof has been given to the Recipient by the Ministry;
  - (b) any representations or warranty made under or in connection with this Deed by the Recipient is false or misleading in any respect regarded by the Ministry as material; or
  - (c) the Recipient suffers an Insolvency Event,
- then the Recipient must notify the Ministry, immediately on becoming aware of it, of the occurrence of such event and at any time (and notwithstanding the previous waiver of any default) the Ministry may by notice to the Recipient declare any or all of the Clawback Amount to be immediately due and payable.
- 2.8 In order to secure the Recipient's obligations under this Deed in respect of the Clawback Amount, the Recipient hereby grants to the Ministry a Purchase Money Security Interest (as that term is defined in the Personal Property Securities Act 1999) in each Capital Asset. The Recipient will take all necessary steps (including as required by the Ministry from time to time) to ensure that the Security Interest

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becomes a "Perfected Security Interest" (as that term is defined in the Personal Property Securities Act 1999) including:

- (a) giving the Ministry written notice immediately following (and in any case, within two Working Days) the Recipient taking possession, or a person taking possession on the Recipient's behalf, of a Capital Asset;
- (b) giving the Ministry all necessary information for the Ministry to effect a registration to perfect a Security Interest; and
- (c) signing and delivering any necessary documentation.

The Recipient waives its right to receive a copy of any verification statement in relation to any Security Interest created by this Deed.

- 2.9 The Ministry will, at the expiry of the Restriction Period, register a release of any relevant financing statement on the Personal Property Securities Register.

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## SCHEDULE 5: MULTIYEAR PROJECTS

### Additional terms

- 1.1 The Ministry shall, subject to section 1.4 of this Schedule 5, pay funding to the Recipient for each Financial Year as set out below.

#### Financial Year 1 ("FY1")

The lesser of:

- (a) the total amount set out in the Financial Year 1 Milestone table in the Project Plan; or
- (b) the percentage of the actual total cost of the Project payable from the Fund assessed over the duration of FY1, as specified in the relevant Milestone table (if any); or
- (c) An amount equal to the difference between the actual total cost of the Project for FY1 and the total value (assessed by the Ministry) of any type of contribution to the Project by the Recipient and/or from any other source.

#### Financial Year 2 ("FY2")

The lesser of:

- (a) the total dollar amount set out in the Financial Year 2 Milestone table agreed by the parties and incorporated into this Deed; or
- (b) the percentage of the actual total cost of the Project payable from the Fund assessed over the duration of FY2, as specified in the relevant Milestone table (if any); or
- (c) An amount equal to the difference between the actual total cost of the Project for FY2 and the total value (assessed by the Ministry) of any type of contribution to the Project by the Recipient and/or from any other source.

#### Financial Year 3 ("FY3")

The lesser of:

- (a) the total amount set out in the Financial Year 3 Milestone table agreed by the parties and incorporated into this Deed; or
- (b) the percentage of the actual total cost of the Project payable from the Fund assessed over the duration of FY3, as specified in the relevant Milestone table (if any); or
- (c) An amount equal to the difference between the actual total cost of the Project for FY3 and the total value (assessed by the Ministry) of any type of contribution to the Project by the Recipient and/or from any other source.

- 1.2 If this Deed provides for a multi-year Project then any funding under this Deed in respect of FY2 and FY3 shall be subject to:

- (a) the Ministry being satisfied in all respects with the Recipient's use of the funding for the previous Financial Year;
- (b) the Recipient not having been in breach of this Deed;
- (c) the agreement of Deliverables for the relevant Financial Year which are acceptable to the Ministry; and
- (d) the availability of funds, or reductions, in the Fund due to changes in the levy prescribed under, or other relevant amendments of, the Waste Minimisation Act 2008 and associated Regulations, changes in waste disposal patterns, or directives of the New Zealand Government.

- 1.3 In the event that any of the above conditions have not been satisfied then the Ministry may immediately terminate this Deed by notice in writing to the Recipient and will be under no obligation to pay any further funding in relation to the Project.

- 1.4 Where the Milestones and Deliverables for an upcoming Financial Year are yet to be agreed then, subject to the above conditions being satisfied and prior to the commencement of the relevant Financial Year, the parties shall agree the Deliverables by variation in accordance with clause 3.2 of Part C (General Terms).

ANNEXURE 1: PROJECT PLAN

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**EXECUTION**

SIGNED as a deed on: 27/04 2018

[The date that the Deed is signed is the date at which both parties have signed the Deed i.e. the date the final party signed the Deed. This date must be handwritten on both original copies of the Deed by the party who signs the Deed last.]

Signed and delivered as a deed by Hinemoa Awatere, Manager, Hono Tātaki, Resource Efficiency and Innovation on behalf of the Ministry for the Environment

S 9(2)(a)  
[Redacted Signature]

S 9(2)(a)  
[Redacted Signature]

Witness Signature

Jay Hadfield

Witness Name

Policy Analyst

Witness Occupation

23 Kate Sheppard Pl.

Witness Address

Signed and delivered as a deed by Fuji Xerox New Zealand Limited

S 9(2)(a)  
[Redacted Signature]

Witness Signature

Rachel Knight

Witness Name

HR Business Partner

Witness Occupation

Auckland.

Witness Address

S 9(2)(a)  
[Redacted Signature]

GRAHAM FORD

Print Full Name

(For a Company specify Description Director/Attorney/Authorised Signatory)

S 9(2)(a)  
[Redacted Signature]

Danielle Everett, Solicitor, Auckland

Print Full Name

(For a Company specify Description Director/Attorney/Authorised Signatory)

[This document must be executed by a company according to its Constitution. If two directors sign, no witnessing is necessary. If only one director or a director and secretary or authorised signatory(ies) or attorney sign, signatures must be witnessed.]

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Ministry for the  
**Environment**  
*Manatu Mo Te Taiao*

# Waste Minimisation Fund

Project Plan  
for *Project Alchemy*

Undertaken by

*"Fuji Xerox New Zealand"*

**FUJI xerox**



**Downer**



**Close the Loop**

## Official information

**Important:** Information presented to the Minister for the Environment or the Ministry for the Environment is subject to disclosure under the Official Information Act 1982 (OIA). Certain information may be withheld in accordance with the grounds for withholding information under the OIA. Further information on the OIA is available at [www.ombudsmen.parliament.nz](http://www.ombudsmen.parliament.nz).

Information held by the Minister and Ministry may have to be released under the OIA in response to a request from a member of the public (or any other body) for that information. If you wish to provide sensitive information to the Minister or Ministry which you do not want released, it is recommended you consult with the Ministry as to whether the information is necessary for the application, and whether there may be grounds in the OIA for withholding the information. For instance, if release of the information would disclose a trade secret, or be likely to unreasonably prejudice the commercial position of the person who supplied or who is the subject of the information, then there may be grounds to withhold the information. The Ministry will endeavour to contact you to discuss an OIA request relating to your application if one is received, and what the implications of releasing your information are.

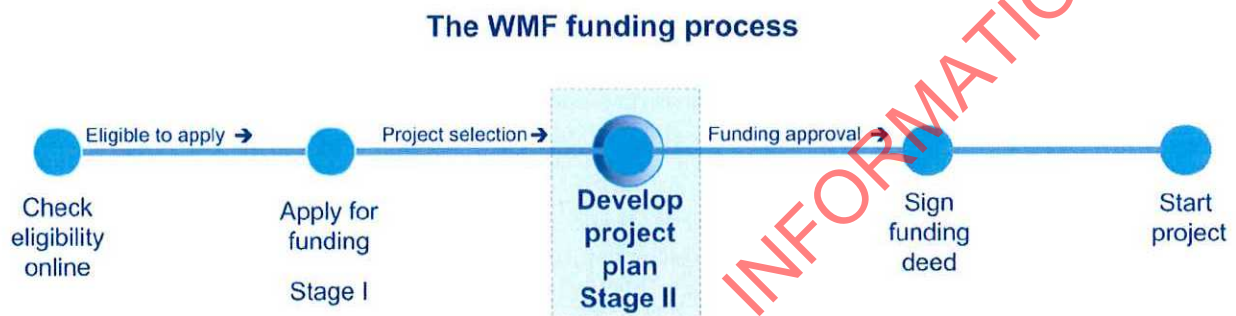
The grounds for withholding must always be balanced against consideration of public interest that may justify release. Although the Ministry does not give any guarantees as to whether information can be withheld under the OIA, it may be helpful to discuss OIA issues with the Ministry in advance, if information provided with an application is sensitive.

## Introduction

This project plan template is completed by applicants to the Ministry for the Environment's Waste Minimisation Fund (WMF) who have successfully completed Stage I of the application process. These applicants have been invited to proceed to Stage II.

During Stage II, applicants develop and submit their project plans to the Ministry for the Environment (the Ministry) for consideration. A final funding decision is made at the end of Stage II.

A successful application goes through each of the stages shown in the WMF funding process diagram below:



## Completing the project plan template

Complete this project plan template by fully answering all questions. We recommend that you refer to the following documents for information while you work through the project plan:

- *WMF guide for applicants* – the first user guide used to complete your application form
- *WMF guide for grantees* – the second user guide sent to you with this project plan.

If you have a question about the project plan that is not covered in this document or in the two user guides, you can email or phone your Fund Analyst.

## When your project plan is complete

Email your completed project plan draft to your designated Fund Analyst. They will review your project plan, and advise you if there are any issues that need to be addressed, or if there are any outstanding questions. Once changes are made, if and as required, you may submit your final project plan.

### Important information

This project plan template is pre-populated with some of the information you provided in your application form. Update this information as required to reflect the current status of your project. Some time may have elapsed since you first submitted the application form to the Ministry, and further information and details may now be available that were not available previously. In addition, you may need to incorporate any conditions that the Assessment Panel has made (refer to the letter you received for these conditions).



## Project details

Project name	Project Alchemy	
Organisation Name	Fuji Xerox New Zealand Limited (FXNZ)	
Project description	<p>FXNZ's machines use toner. Waste toner often remains in used cartridges and is recovered under FXNZ's Ministry for the Environment accredited Product Stewardship Scheme.</p> <p>As part of its commitment to a circular economy, FXNZ is in the process of improving its Product Stewardship Scheme by partnering with Close The Loop (CTL) to ensure that instead of simply recovering its waste toner, it is repurposed for use in TonerPave™.</p> <p>TonerPave is a new asphalt developed in Australia, with a high recycled content and up to 23% reduced carbon footprint. The waste toner in TonerPave is used to partially replace crude-oil derived bitumen in road surfacing, improving the technical performance of the road.</p> <p>Through continuing development, TonerPave seeks to repurpose not only waste toner but waste engine oil and crumb rubber from recycled car and truck tyres in a circular solution.</p> <p>Our project team (FXNZ, Downer (New Zealand) and CTL) is keen to undertake a Feasibility Study to:</p> <ol style="list-style-type: none"><li>1. Understand the feasibility of using waste toner produced in New Zealand to add to asphalt in New Zealand roads.</li><li>2. Undertake a trial using TonerPave, containing FXNZ waste toner, in a New Zealand road, thus demonstrating a circular solution for New Zealand.</li></ol>	
Project Location	<i>Auckland</i>	
	<i>As per the application form</i>	
Duration of funding	16 months	
Project cost	[REDACTED] [REDACTED]	
	<i>Total</i>	<i>Year 1 and 2</i>
WMF contribution		
	<i>Total \$38,000.00</i>	<i>Year 1 and 2 \$38,000</i>

## Contact details

Ministry's main contact	Jay Hadfield	Recipient's main contact	Emma Harding Risk & Compliance Manager, Sustainability & Circular Economy
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Phone	(04) 979 6236 [REDACTED]	Phone	Landline +64 935 64200 Mobile [REDACTED]
Address	Waste Minimisation Fund Ministry for the Environment PO Box 10362 Wellington 6143	Postal Address	Fuji Xerox New Zealand PO Box 5948 Wellesley Street Auckland 1141
Email	Jay.hadfield@mfe.govt.nz	Email	<a href="mailto:emma.harding@nzl.fujixerox.com">emma.harding@nzl.fujixerox.com</a>
Ministry's secondary contact	Andrea Gregor [REDACTED] Andrea.gregor@mfe.govt.nz	Recipient's secondary contact	Sian Flynn-Coleman Risk & Compliance Manager, Sustainability & Ethics <a href="mailto:sian.flynn-coleman@nzl.fujixerox.com">sian.flynn-coleman@nzl.fujixerox.com</a> Landline 64 935 64200 Mobile [REDACTED]

### Organisation details

*Check that the information below about your organisation is correct, and update as required.*

Organisation name	Fuji Xerox New Zealand Ltd
Description of the organisation	<p>Fuji Xerox New Zealand forms part of a global enterprise group delivering market leading business and document management services. Our experienced, local team are committed to providing innovative solutions helping New Zealand businesses maximise efficiency and drive down costs.</p> <p>With a comprehensive technologies, solutions and services suite extending from digital printing to document management to business process outsourcing, we make it easier for our customers to reduce printing costs, streamline processes and automate tasks.</p> <p>At the heart of Fuji Xerox New Zealand is a passion to be strong, kind and interesting. We value long term relationships with our people and communities and have a strong track record of actively supporting environmental, educational and sporting initiatives.</p> <p>By providing scalable, cost effective printing and document management solutions Fuji Xerox New Zealand helps New Zealand businesses to grow and transform.</p>
Legal entity status	Limited liability company

Physical address	Fuji Xerox New Zealand 79 Carlton Gore Road Newmarket Auckland 1023
Postal address	Fuji Xerox New Zealand PO Box 5948 Wellesley Street Auckland 1141
Telephone	Landline +64 935 64200
Website address	<a href="http://www.fujixerox.co.nz">www.fujixerox.co.nz</a>

## Problem/Solution

### Problem:

An ongoing challenge for New Zealand is waste generation and losing valuable raw materials in landfill. Currently under our Product Stewardship Scheme (PSS) FXNZ recycles approximately 300 tonnes of toner cartridges annually. Note: total industry tonnage of toner waste is not available for this application but will be a data requirement for the Feasibility Study.

Although we, like many businesses, are shifting to digital solutions, toner cartridges and the residual toner they contain remain a key waste stream for us as well as our competitors. Waste toner must be handled correctly: it is a fine powder that, although stable, poses a fire, explosion and inhalation risk. FXNZ'S current recycling partner incinerates waste toner as fuel to heat water used for washing trucks.

### Solution/Outcomes:

Fuji Xerox New Zealand (FXNZ) sees the circular economy as a solution to current linear waste systems that result in unnecessary landfill. Rather than incineration, it is obviously environmentally preferable to recycle toner into a new product (road surfacing) which has the additional benefit of reducing the carbon footprint of the road surfacing and contributing to a circular system.

Our Product Stewardship Scheme was the first in our sector to be accredited by the Ministry for the Environment (MfE) and as part of our commitment to continuous improvement in sustainability, we are constantly seeking ways to improve our environmental performance. Fuji Xerox aims to improve our Product Stewardship Scheme by partnering with Close The Loop (CTL) who will extract the metals and plastics from end of life toner cartridges for recycling, and will combine waste toner with waste engine oil to create Modified Toner Polymer (MTP) in an easy to handle pellet. The aim of our Feasibility Study is to identify whether it is feasible for waste toner from FXNZ, once turned into MTP by CTL, to be added to asphalt mixes for road surfacing in New Zealand by Downer New Zealand, thus creating a solution for all New Zealand businesses in the printing sector. If this Feasibility Study is successful, FXNZ will work with MfE to invite its competitors to collaborate on this project and together, drive down waste for New Zealand.

Around 20,000 tonnes of toner has been recycled in asphalt across Australia between 2012 and 2015 (Source: City of Sydney, Greener Roads article "Recycling sets tone for greener roads" 19<sup>th</sup> May 2015). CTL has 35,000 collection sites for toner and ink printer cartridges nationally in Australia and each month collects "thousands" of bags of cartridges. For Fuji Xerox New Zealand alone, its predicted customer base is up to 25,000. Since releasing TonerPave in 2013 it has been used in more than 100 suburban roads in Australia.



### Statutory permissions and consents

Do you require any statutory permissions to complete the project (eg, resource management, building, planning, Basel permit or other consents)?

Yes

No

If yes, which permission is required, and when is a decision expected (if known)?

No other statutory permissions required in addition to the permissions already given to Downer NZ as part of existing consents

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Project objectives		
Objective	How will you monitor and evaluate the achievement of this objective?	Baseline information
<i>Objectives must be SMART (Specific, Measurable, Achievable, and Realistic within the Timeframe of the WMF project)</i>	<i>How will you measure your progress and demonstrate that the objective has been achieved by the end of the project?</i>	<i>Describe the current situation, using the data you have available.</i>
Produce a Feasibility Study, including technical trials, to understand whether it is practicable, technically possible and financially viable to put FXNZ-contributed MTP into New Zealand roads	A Feasibility Study Report delivered to MfE stating whether the proposed solution is feasible and providing supporting evidence	It is likely but as yet unproven that TonerPave is suitable for New Zealand conditions. It is unknown whether TonerPave is financially viable for sale in New Zealand.

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## Project outcomes and benefits

Identify the outcomes and benefits that your project aims to achieve – these are likely to be outside the timeframe of the WMF project.

<b>Description</b> <i>Should include a timeframe for when the benefits or outcome is expected to be achieved (e.g., creation of five jobs, amount of waste recycled etc.)</i>	<b>Measure</b> <i>Describe how you will measure achievement of the outcomes or benefits</i>	<b>Source of measure</b> <i>How will you collect information that the measure has been met (e.g., 'employment records showing that five jobs were created', invoices or weighbridge tickets demonstrating )</i>
TonerPave™ product is available on the NZ market for sealing season starting July 2019 (including Volumes of MTP supplied to NZ for production of TonerPave™)	TonerPave part of Downer NZ (DNZ) product offering	From Downer NZ website and collateral
A viable solution for NZ cartridge toner recycling into TonerPave™ has been shared with printer recycling organisations by January 2019.	Printer recycling organisations are aware of the recycling solution	Survey results of printer recycling organisations
Establish whether CTL recycling centre in New Zealand is possible, creating employment opportunities and environmental benefits	A CTL recycling centre or processes is established	See measure



<b>Breakdown of Waste Stream</b>				
<b>Waste Stream</b> <i>Please list each of the waste streams your project will minimise</i>	<b>Baseline</b> <i>How much of this waste stream are you currently diverting from landfill (per annum) if any?</i>	<b>Amount to be minimised by project end</b> <i>Estimated diversion from landfill at date of project completion</i>	<b>Forecast - 12 months after project end</b> <i>Estimated diversion from landfill at 12 months after project completion</i>	<b>Forecast - 24 months after project end</b> <i>Estimated diversion from landfill at 24 months after project completion</i>
N/A	N/A	N/A	N/A	N/A

<b>Measuring Waste Minimised</b>
<i>Please describe how you will measure the amount of waste minimised during and after the funded period (including the <u>source</u> of tonnage data). If you are unable to provide tonnage figures for your project then please explain why.</i>
This is a feasibility study therefore we are investigating domestic viability of an already diverted product.

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### Funding and contributions

Funding information	Total	Year One and Two		
(A) Organisation's cash contribution to the project FXNZ Project management time	████████	████████		
(B) External funding sources Downer NZ CTL	████████	████████		
(C) WMF contribution (approved amount)	\$38,000.00	\$38,000.00		
Total cost of project (A+B+C+D+E)	████████	████████		
WMF share of costs (for office use only)	████	████		

### External funding sources for project

*This includes partners. Please specify details of involvement and check that the information below is correct, and update as required.*

Organisation name	Contact name and phone number	Status of offer	Expected date for funding	Amount
Downer NZ	David Maucor ██████████	X Confirmed	28 <sup>th</sup> April 2018	████████
Close the Loop	Peter Tamblyn ██████████	X Confirmed	28 <sup>th</sup> April 2018	████████
<b>Total other external funding sources for year one (excluding GST)</b>				████████



## Project governance

### Project manager details

The project manager is the person responsible for managing major project tasks, and is likely to be the person who we liaise with during the project.

Complete the table below.

Name	Emma Harding, Risk & Compliance Manager, Sustainability & Circular Economy, Fuji Xerox New Zealand Limited
Postal address	79 Carlton Gore Rd, Newmarket, Auckland, 1023
Email address	emma.harding@nzl.fujixerox.com
Telephone	+64 935 64200 [REDACTED] (0_) <i>work mobile fax</i>
Project responsibilities	Project management – ensure project runs to time and budget, that milestones are met, that partners work well together and that the project achieves its objectives and targets Stakeholder engagement – manage stakeholder engagement process alongside Downer
Has their availability been confirmed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Estimated amount of time to be spent on project each week	2 days



## Governance and management structure

### Project governance

*Include information about how your project will be governed. Include how the governance group will monitor and manage any slippage on project progress.*

Fuji Xerox New Zealand project governance will be as follows:

The Project Manager Emma Harding is responsible for the governance of the project. She reports to Danielle Everett, the General Manager, Legal and Human Resources, who sits on the Fuji Xerox New Zealand Senior Leadership Team who is responsible for governance at Fuji Xerox New Zealand. Danielle reports to Peter Thomas, the Managing Director of Fuji Xerox New Zealand.

### Managing funds

*Provide information about how you will manage the project funds if successful. Include information about how you will procure goods and services, approve payments, and monitor and address budget overspend.*

The Fuji Xerox Planning Office will create a separate cost code for all funds, incoming and outgoing, related to this project. This will ensure that the funds are ringfenced and all associated invoices are recorded and transparently communicated.

The Founding Partners will submit invoices to the Project Manager who will collate them and submit them to the Ministry for the Environment WMF.

Once funds have been disbursed to Fuji Xerox New Zealand, the Founding Partners will be reimbursed and a record will be kept against the cost code. The budget will be tracked and reported on at Project Management meetings.



### Consultant and/or sub-contractor details (if applicable)

Provide information about any third party you intend to sub-contract to undertake work on the project. If you intend to engage more than one consultant and/or sub-contractor, supply the information in a separate Word document, and submit this with your project plan.

#### Disclaimer

Note that as per the Deed of Funding, you (the Recipient) remain wholly responsible for the acts and omissions of all sub-contractors and/or the work and acts of all sub-contractors.

Please ensure your organisation:

1. undertakes the necessary due diligence checks on all sub-contractors associated with the delivery of your project
2. follows appropriate procurement processes when buying goods or services for the project so that only reasonable, open market costs are incurred on an arm's length basis
3. has adequate processes for the monitoring of any work carried out by your sub-contractors (including audit requirements)
4. has procedures for the management of safety including the allocation of responsibilities between you and all sub-contractors and to ensure that all employees and personnel (including those of sub-contractors) have the relevant skills and experience and are trained in the relevant health and safety requirements applicable to the project
5. has appropriate contracts in place with each sub-contractor.

The Ministry may request evidence of all contracts (and associated procurement process followed, for each sub-contractor) as part of the WMF milestone reporting requirements.

Company name of consultant/sub-contractor	
Trading name <i>if different</i>	
Contact person name	
Position	
Postal address	
Email address	
Telephone	(0_) (0_) (0_) <i>work mobile Fax</i>
Value of contract	
Work to be undertaken for project	
GST number	



### Consultant and/or sub-contractor details

**Legal entity status**

*tick one only*

*attach proof of legal entity status (for further information, refer to the WMF guide for applicants)*

- Incorporated society
- Charitable trust
- Limited partnership
- Māori trust board
- Limited liability or cooperative company
- Other *please specify*

**Potential conflict of interest**

*(eg, financial interest in sub-contractor's company, commercial or business relationship with sub-contractor, friend or relative working for sub-contractor, etc)*

### Health and Safety

*Please describe what health and safety policies and plans your organisation has in place for the project and the process to keep these updated and communicated to employees, contractors and volunteers and ensure that all such personnel comply with these policies and plans and procedures and/or that sub-contractors have in place safety policies, management plans and procedures.*

*Please provide a copy of your health and safety management plan for the project along with this project plan. The Ministry requests a copy of the health and safety management plan in order to confirm its existence but does not or will not in any way assess the plan's efficacy.*

Downer NZ has a robust H&S Management System accredited to AS/NZS 4801:2001.

This includes a H&S Policy, an HSE Risk Management System and appropriate training for staff.

The H&S risks associated with the operational activity of laying the asphalt will be managed as per Downer NZ standards and practices. The attached H&S Management plan is relevant to the work to be conducted as part of the trial tests.

Close the Loop (CTL) currently maintains an integrated Management System certified to international standards for Quality (ISO 9001), Environment (ISO 14001), OH&S (OHSAS 18001 and AS/NZS 4801) and Responsible Recycling (R2). These are audited for compliance annually by an external third party.

As part of our OHSAS 18001 and AS/NZS 4801 certifications for OH&S, we have a Global CtL OH&S Policy outlining our objectives and how we manage continual improvement. We have multiple programs in place including audit and risk management and OH&S performance target programs. In addition, we have communication programs in place ensuring that all staff are aware of current activities and OH&S policies, targets and programs.

CTL also maintains a Global Corporate Social Responsibility Policy recognising that we have a moral obligation to our staff regarding OH&S, the environment and the communities we operate within. CtL has identified objectives and targets both internally and externally to ensure our activities exceed best practice and maintain ethical, professional and legal standards.

*Identify who is responsible for health and safety for the project and their skills and experience in this area*



While Fuji Xerox New Zealand is responsible for the project and therefore for ensuring that partners have adequate health and safety measures in place, they will be relying on the technical expertise and experience of Downer and Close the Loop for the duration of the project.

David Maucor (Downer NZ) or Carolyn Smith (Downer NZ).

David Maucor has 3 years' experience as a H&S Advisor and is in the process of obtaining an International Diploma in Occupational H&S.

Jenni Plumridge (Close the Loop Ltd)

Jenni Plumridge has extensive experience over more than 8 years in managing all CtL's Quality systems

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## Risk management

*A risk is something that may affect the completion and success of your project. It is good practice to identify all the concerns about your project at an early stage. You may identify issues that can be resolved before the project starts.*

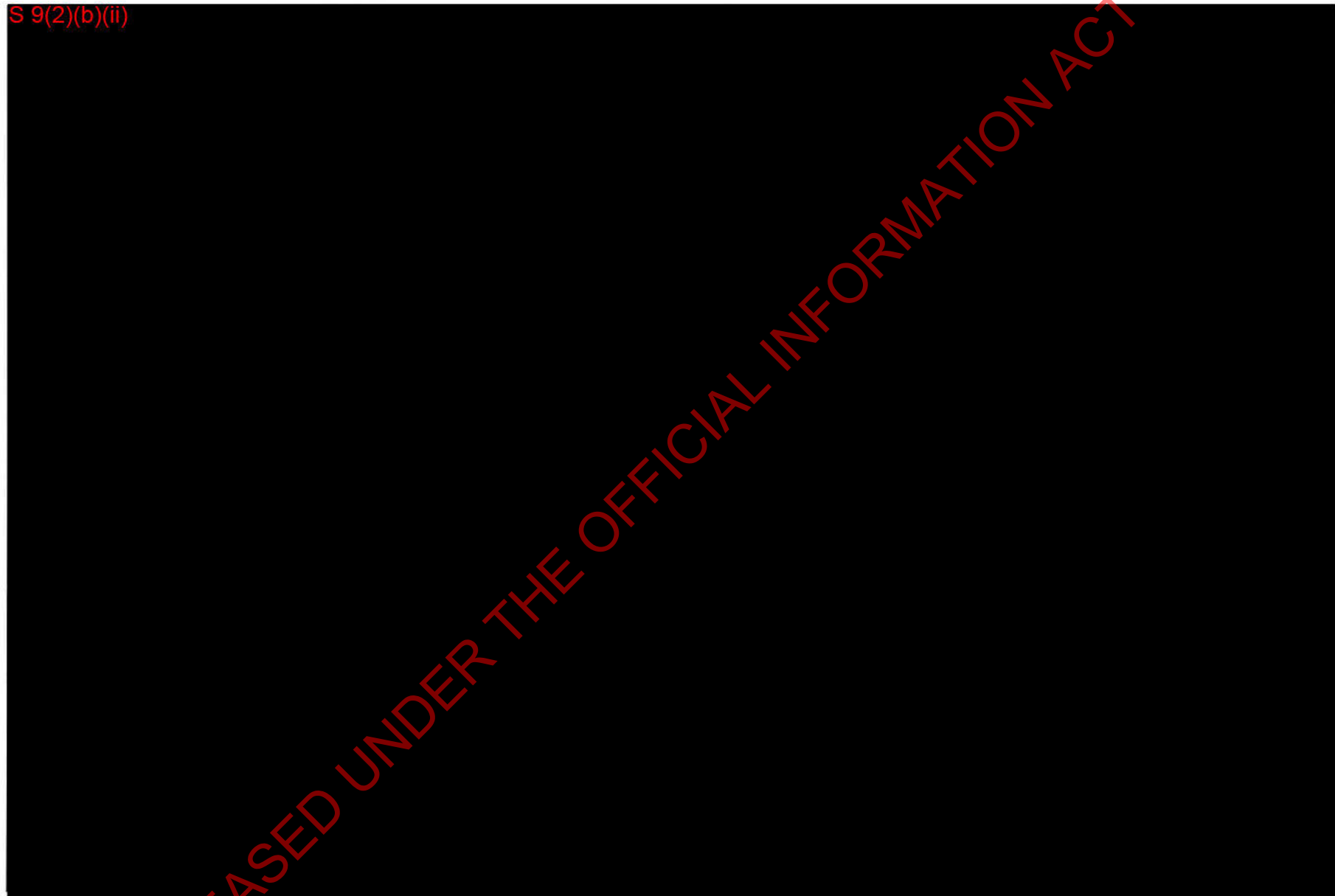
*Many aspects of setting up a project (eg, project timeframes and schedules, and communication plans) are mitigation measures to reduce common project risks.*

*Your risk containment/mitigation plan should be reviewed regularly, and any new risks and mitigation strategies added as they are identified.*

S 9(2)(b)(ii)



S 9(2)(b)(ii)



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S 9(2)(b)(ii)



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## Communication and stakeholder management

A good communication plan outlines who you need to communicate with, what about, and how often. Early planning of your communication strategy helps to anticipate issues, and allows time for you to develop methods for dealing with these.

A communication plan helps support your organisation to:

- achieve the project goals and objectives
- improve the operational effectiveness
- develop relationships with those who are important in ensuring the project's success
- deliver measurable project results.

Provide an overview of how you will address communication by completing the tables below.

<b>Target audience</b>  <i>Who is your target audience (eg, landowners, local community, Iwi, schools)?</i>	<b>Objectives</b>  <i>What are the objectives of your communication plan and what do you hope to achieve (eg, develop awareness, impart information, deliver education, and bring about behaviour change)?</i>	<b>Key messages</b>  <i>What are the key messages you want to communicate?</i>	<b>Tools and methods</b>  <i>How will you undertake communications with your target audience (eg, phone calls, emails, meetings, website, newsletter)?</i>
Potential TonerPave™ clients e.g. local Councils	Provide technical information on TonerPave™, develop the TonerPave™ market in NZ	TonerPave™ is a competitive product on the Asphalt market  No extra cost (TBC)  Sustainability	Direct comms by DNZ operational managers to key clients
DNZ operational management	Buy-in for feasibility study, support trials, see market opportunity	This feasibility study will benefit your brand and market position  We need your support to make this a successful project	Email, meeting

Key stakeholders	Ask views from: Hamilton Council, local schools and Iwi	Understand what stakeholder views are on project and next steps  Educate about circular economy and reuse of materials	Interviews conducted by FXNZ
CEA Advisory Board	Engage, ask for guidance, act as a 'critical friend' and promote project through wider network	Regular project updates and input into final Feasibility Report	Updates at CEA Advisory Board meetings and input into Report
Founding Partner senior leadership and employees	Engage in sustainability and circular economy	Educate about each Founding Partner's role in creating a circular economy, helping them to be proud of their business	Internal communications
Fuji Xerox industry peers	Demonstrating leadership and best practice, engage in circular economy	Encouraging peers to put a Product Stewardship Scheme in place that emphasises re-use rather than just recycling	Engaging via MfE
General public	Engage in sustainability and circular economy	Educate about circular economy and reuse of materials	Usual communication channels e.g. website

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## Appendix 1: Milestone table and detailed budget

### Milestones

#### Year one and two

If your project has been recommended for funding for less than the amount you requested, ensure that you adjust the milestone information to reflect the new funding amount.

The final WMF milestone payment must be a minimum of 10 per cent of the total WMF funding amount. The estimated cost for the final milestone for this year must reflect this.

Milestone name	Activity	Deliverable	Due date	Total estimated cash cost	Total Estimated WMF <i>For office use only</i>
<i>Provide a short and succinct name for each milestone (e.g., commission machinery)</i>	<i>List the activities for each milestone (e.g., hold five waste minimisation workshops for 150 participants). The activities meet the project's objectives.</i>	<i>List the deliverables for each milestone that you will submit to the Ministry at the same time as the milestone report and claim form (e.g., reports, summaries, job descriptions, etc.)</i>			
Feasibility Study	<p>1. Produce a Feasibility Study Report evaluating the feasibility of using waste toner produced in New Zealand (such as the toner recovered under FXNZ's product stewardship scheme) to add asphalt onto New Zealand roads (using 'TonerPave').</p> <p>Report includes the following sections:</p> <p>Technical chapter</p> <ul style="list-style-type: none"> <li>Design Mix for Asphalt</li> <li>Design Mix and testing for Bitumen</li> <li>Laydown trial and 6 month</li> </ul>	<p>1. Feasibility Study Report</p> <p>2. Milestone Report</p> <p>2.1. Milestone Claim Form</p> <p>2.2. Summary of Expenses</p> <p>2.3. Copies of invoices to support actual expenses</p> <p>2.4. Tax invoice for claimed amount</p> <p>3. Written notification of any third party data sets used in the report (per special term 1.1).</p>	August 2019	██████	\$38,000



Milestone name	Activity	Deliverable	Due date	Total estimated cash cost	Total Estimated WMF
	<p>observation period</p> <p>Financial chapter / business modelling</p> <p>Sustainability chapter including high level travel carbon footprint and environmental and socio-economic SWOT analysis based on stakeholder interviews</p> <p>Summary: is business case for scaling project feasible / Client appetite</p> <p>Feasible to have Close The Loop recycling centre in New Zealand?</p> <p>Next steps</p> <p>2. Prepare milestone documentation and submit claim</p>				
<b>Estimated total cash cost for project (year one and two)</b>				██████	
<i>This figure matches the Total project budget for year one row in the Funding Information table, earlier in this project plan</i>					
<b>Total Estimated WMF contribution (year one and two)</b>					\$38,000

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**Project budget – year one and two – see budget attached**

Provide a breakdown of all the estimated, project-related costs (expenditure) for milestones for year one of your project, exclusive of GST. Ensure that sufficient detail is provided in the first column (ie, a breakdown of how amounts were calculated). The project budget is completed every year for multi-year projects. If the amounts are different to those you provided in your application form in the Milestones section, contact your Fund Analyst for further assistance.

<b>Personnel – breakdown of cash costs</b>	<b>Milestone 1</b>	<b>Milestone 2</b>	<b>Milestone 3</b>	<b>Milestone 4</b>
<i>Wages, salaries, recruitment, training, etc (eg, Joe Brown’s salary at \$25 per hour for period of 20 hours)</i>				
Fuji Xerox personnel time	██████████	\$0.00	\$0.00	\$0.00
FXNZ - Feasibility Report time	██████████	\$0.00	\$0.00	\$0.00
FXNZ - Report Review time	██████████	\$0.00	\$0.00	\$0.00
<b>Total estimated cash costs for personnel for year one (exclusive of GST)</b>	██████████	\$0.00	\$0.00	\$0.00

<b>Consultants and contractors – breakdown of cash costs</b>	<b>Milestone 1</b>	<b>Milestone 2</b>	<b>Milestone 3</b>	<b>Milestone 4</b>
<i>Environmental consultancies, Crown research institutes, etc</i>				
Close the loop shipping MTP to NZ	██████████	\$0.00	\$0.00	\$0.00
Close the Loop participation project management	██████████	\$0.00	\$0.00	\$0.00
Downer participation project management	██████████	\$0.00	\$0.00	\$0.00
Downer Product Design (includes testing) TonerPave formula	██████████	\$0.00	\$0.00	\$0.00
Downer Produce TonerPave (additional waste)	██████████	\$0.00	\$0.00	\$0.00
Downer Trial report on TonerPave for feasibility study	██████████	\$0.00	\$0.00	\$0.00
Downer Delays to productivity - contingency (plant and labour)	██████████	\$0.00	\$0.00	\$0.00

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Downer Technical project management (time)	████████	\$0.00	\$0.00	\$0.00
<b>Total estimated cash costs for consultants and contractors for year one (exclusive of GST)</b>	████████	\$0.00	\$0.00	\$0.00

<b>Total estimated cash costs for year one (exclusive of GST)</b>	████████	\$0.00	\$0.00	\$0.00
<b>Total project budget for year one</b> <i>.This is a sum of the totals in the row above</i>	████████			

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24 April 2018

Jay Hodfield  
Policy Analyst, Hono Tāhaki, Resource Efficiency & Innovation  
Ministry for the Environment

Dear Jay,

MEMORANDUM OF UNDERSTANDING

We the undersigned confirm that we will be working together as partners on circular economy initiative *Project Alchemy*, as detailed in the Project Plan provided on 23<sup>rd</sup> April 2018. We also confirm that Downer and Close the Loop will make available to Fuji Xerox New Zealand and the Ministry for the Environment any data specifically required for the delivery of this project which will be used within the scope of this project only, and which will be kept strictly confidential i.e. not shared with any other third party without prior agreement.

Yours sincerely,


S 9(2)(a)

  
Emma Harding,  
Risk & Compliance Manager, Sustainability & Circular Economy, Fuji Xerox New Zealand

S 9(2)(a)

  
David Maucor,  
Manager, Environmental Sustainability, Downer New Zealand

S 9(2)(a)

  
Sales & Marketing Manager, Asia Pacific, Close the Loop

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26<sup>th</sup> April 2018

Jay Hadfield  
Waste Minimisation Fund  
Ministry for the Environment  
PO Box 10362  
Wellington 6143

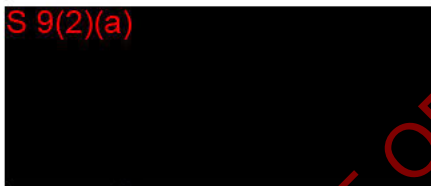
Dear Jay

Subject: TonerPave Feasibility Study Letter of endorsement

I confirm that there is an interest within my organisation, Auckland Transport, to see the outcomes of the trials of TonerPave in NZ, and access the conclusions of the feasibility study.

Yours sincerely

S 9(2)(a)



Asset Manager  
Asset Management and Systems

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# Memo

**To:** Marianna Tyler

**From:** Jay Hadfield

**Date:** 27/04/2018

**Re:** Approval for Waste Minimisation Fund Deed of Funding with Fuji Xerox New Zealand for the project entitled *Project Alchemy*

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## Purpose

1. To seek your approval and obtain your signature for the Waste Minimisation Fund Deed of Funding with Fuji Xerox New Zealand (Fuji Xerox) for its project entitled Project Alchemy. The total Waste Minimisation Fund (WMF) funding contribution for this project is \$38,000 (excl. GST) which falls within your financial delegation.

## Background

2. Fuji Xerox applied for funding under the May 2017 Waste Minimisation Fund (WMF) contestable round to support their 'Project Alchemy' project, which will test the feasibility of using waste toner in the construction of roads as a substitute for bitumen.
3. The WMF panel recommended the Minister approve the project with the following funding conditions:
  - a. that a letter of support from NZTA be provided;
  - b. that 50% of the total project costs relate to the proposed feasibility study; and
  - c. that no project costs be allocated for the promotion and dissemination of the feasibility study.
4. Condition a. has been substituted with a letter of support from Auckland Transport as this is the relevant authority for approving the local road on which the subject of the feasibility study will be tested.
5. In September 2017, the Associate Minister for the Environment approved funding for the Fuji Xerox project, with a WMF contribution of up to \$38,000 (excl. GST), subject to the panel's funding conditions.

6. On 2 October 2017, the Ministry of Business, Innovation and Employment (MBIE) issued a press release advising that they had suspended all of their All of Government (AoG) contracts with Fuji Xerox due to historical accounting malpractice, and a lack of trust in their suitability as an AoG contractor. Following this development, MfE placed a hold on project planning for this project.
7. On 27 March 2018, James Walker, Deputy Secretary - Partnerships and Customers, approved Fuji Xerox to proceed with project planning with an intent to enter into deed, after the WMF team completed extensive due diligence with both Fuji Xerox and MBIE.
8. Due to this hold however, the time available to complete project planning was severely restricted. In order to ensure that this was completed before the 27 April 2018 deadline, a decision was made to include only one milestone. This is the delivery of the feasibility study and supporting evidence of costs.
9. A draft Deed of Funding has been prepared for this project and is ready for signature. Note that the draft Deed contains a special term 'Intellectual Property – Use of Third Party Data' which requires the Recipient to ensure that its third party data licence terms are consistent with the Deed's intellectual property clauses, to inform the Ministry of all third party datasets used in its project, and to comply with all applicable terms of its third party data licence(s).
10. On 24 April 2018, Abby Ward, Solicitor, Ministry for the Environment confirmed by email that she reviewed the Deed of Funding and confirmed that it is in order for signing.

### Recommendations

- a) **SIGN** the attached Deed of Funding with a total Waste Minimisation Fund contribution of \$38,000 (excl. GST) between the Ministry for the Environment and Fuji Xerox New Zealand for its Waste Minimisation Fund project entitled "Project Alchemy".

S 9(2)(a)



Manager,  
Hono Tātaki, Resource Efficiency and Innovation

  
Approve / Decline

Date: 27 April 2018

## Funds Management - Deed Tracking Form

(This form is to be sent to Procurement Administrator attached to the two signed original copies of the Deed/Variation (signed by recipient and MFE))

Date sent to Procurement:	
Departmental or Crown Budget:	Crown
Name of Organisation (Recipient) (full legal name)	Fuji Xerox New Zealand Limited
Trading Name (if different)	Fuji Xerox
Cost Centre/Project Code/Account Code/Fund: (Delete as applicable)	174/20100 /234 Waste Minimisation Fund
Project Name: (Title on Deed for Procurement)	Project Alchemy
Ministry Contact Person	Name: Jay Hadfield
	Phone: [REDACTED]
	Email: Jay.hadfield@mfe.govt.nz
	Floor: 3
Deed Reviewed in Legal By (Name of Solicitor)	Abby Ward
Execution/Start Date: (Date Deed signed)	27 April 2018
End Date:	1 September 2019
Deed Total Amount:	\$38,000.00
Project Reference Number (e.g. WMF0012/CEF0034) (To note in FMIS for Procurement)	WMF-17-14
Postal Address for sending 2 <sup>nd</sup> signed original of Deed/Variation to: (Must include postcode)	Name: Emma Harding Organisation: Fuji Xerox New Zealand Address: Fuji Xerox New Zealand PO Box 5948 Wellesley Street Auckland 1141
<b>ADDITIONAL INFORMATION FOR VARIATIONS ONLY</b>	
Contract Number	
Variation Number	
Reason for variation (e.g. date/time/milestones/amount)	
Has total funding amount changed?	Yes or No
Variation Reviewed in Legal By (Name of Solicitor)	

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## FUJI XEROX NEW ZEALAND LIMITED (65813) Registered

To maintain this company [log on here](#)

[View previous names](#)

Last updated on 03 Apr 2018

Names changes prior to 1992 may not be recorded.

Company Summary    Addresses    Directors (7)    Shareholdings (1)    Documents (137)

PPSR Search

Company number: 65813

NZBN: 9429040663906

Incorporation Date: 06 Jan 1964

Company Status: Registered

Entity type: NZ Limited Company

Constitution filed: [Yes](#)

AR filing month: March , last filed on [26 Mar 2018](#)

FRA Reporting Month: March

Ultimate holding company  
Fuji Xerox Asia Pacific Pte Ltd

**Type of entity**

Fuji Xerox Asia Pacific Pte Ltd

**Registration number / ID**

070172704

**Country of registration**

Singapore

**Registered office address**

80 Anson Road #37-00 Fuji Xerox  
Tower, Singapore 079907,  
Singapore

**Company addresses:**

**Registered Office**

FUJI XEROX CENTRE, 79 Carlton  
Gore Road, Newmarket, Auckland,  
1023 , New Zealand

**Address for service**

FUJI Xerox Centre, 79 Carlton Gore  
Road, Newmarket, Auckland,  
1023 , New Zealand

[View all addresses](#)

Directors

Showing 2 of 7 directors

Graham FORD

8 Poronui Street, Mount Eden,  
Auckland, 1024 , New Zealand

Haruhiko IMAI

Apartment 302, 8 Central Road,  
Kingsland, Auckland, 1021 , New  
Zealand

[View more director details](#)

Company record link: <http://app.companiesoffice.govt.nz/co/65813>

*Generated on Thursday, 03 May 2018 10:48:48 NZST*

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**NEW ZEALAND**  
COMPANIES OFFICE  **COMPANIES**  
REGISTER

## Certificate of Incorporation

FUJI XEROX NEW ZEALAND LIMITED

65813

NZBN: 9429040663906

This is to certify that RANK XEROX NEW ZEALAND LTD was incorporated under the Companies Act 1955 on the 6th day of January 1964 and changed its name to FUJI XEROX NEW ZEALAND LIMITED on the 7th day of June 1991 and was reregistered to become a company under the Companies Act 1993 on the 30th day of April 1997.

Registrar of Companies  
3rd day of May 2018



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## Procurement Mailbox

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**From:** Procurement@mfe.govt.nz  
**Sent:** Thursday, 3 May 2018 10:54 a.m.  
**To:** Procurement Mailbox  
**Subject:** CMS - Contract submitted

A new contract has been recorded in the CMS form, and shortly will be set up in FMIS.

Submitter's name: **Lucy Freeman**  
Submitter's team: **Procurement**  
When: **3/05/2018**

Contract Title: **Deed - with Fuji Xerox NZ Ltd re Project Alchemy (WMF-17-14)**

Contract Number: **22336**

Contract Type: **Deed**  
Entity: **Crown**  
Supplier Name: **Fuji Xerox New Zealand Limited**  
Supplier No.: **L0052360**  
Head Agreement:

Cost Centre: **173 Hono Tataki - Resource Efficiency and Innovation**  
Project Code: **20100 Contestable Waste Minimisation Fund**  
Crown Account: **0234 Contestable Waste Minimisation Fund**  
Fund Type: **Waste Minimisation Fund**

Contract Owner: **Jay Hadfield**  
Start Date: **27/04/2018**  
Expiry Date: **1/09/2019**  
Estimated Contract Value: **38000**  
Tender Method: **Closed**  
Hourly Rate: **0**  
Daily Rate: **0**  
Contract Person(s):  
Report? **No**

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