



Opportunities for addressing construction and demolition waste in New Zealand

Date submitted: 27 March 2024

Security level: In confidence

MfE priority: Policy and privacy

Actions sought from Ministers		
Name and position	Action sought	Response by
To Hon Penny SIMMONDS Minister for the Environment CC. Hon Chris PENK Minister for Building and Construction Hon Simon WATTS Minister of Climate Change Hon Chris BISHOP Minister for RMA Reform	Meet with the Ministry for the Environment to discuss the contents of this briefing	N/A

Actions for Minister's office staff
Return the signed briefing to the Ministry for the Environment (ministerials@mfe.govt.nz).

Appendices and attachments
Appendix 1: Construction and demolition waste industry key stakeholders

Key contacts at Ministry for the Environment			
Position	Name	Cell phone	First contact
Principal Author	Anne Pezaro		
Responsible Manager	Daisy Croft	021 0825 9968	
General Manager	Shaun Lewis	021 101 2446	✓

Minister's comments


Opportunities for addressing construction and demolition waste in New Zealand

Purpose

1. You have indicated that construction and demolition (C&D) waste is a priority area for you. The purpose of this briefing is to provide context and seek your feedback on potential areas of opportunity in your waste work programme to support industry to reduce C&D waste.

Key messages

Out of scope




- **Infrastructure deficit and a lack of knowledge and tools** – There is a lack of resource recovery infrastructure for processing and separating C&D waste, and few post-use product end-markets. The Government is already investing in C&D infrastructure using waste levy revenue, and partnering with industry to help accelerate some waste reduction tools and resources, but more is needed to shift current C&D waste management culture and practices.

There are opportunities to improve the way we manage C&D waste

5. **Investment in resource recovery infrastructure and other solutions** – The waste levy can continue to fund or co-invest with industry into C&D infrastructure, research, and education initiatives. Wood waste is currently a priority area for investment, and you could also expand investment into more types of C&D waste materials.

Out of scope



Out of scope



Signatures

A handwritten signature in blue ink, appearing to read 'S Lewis'.

Shaun Lewis
General Manager – Waste Systems
**Climate Change Mitigation and
Resource Efficiency**
Date: 27 March 2024

Hon Penny SIMMONDS
Minister for the Environment
Date:

Out of scope

Out of scope

Some C&D waste is being diverted from landfill

6. Data from resource recovery facilities on landfill diversion rates is poor. However, incremental increases and expansion of waste disposal levies since July 2021 to all landfills that accept C&D waste appear to be providing some incentive to reduce disposal to landfill and divert more. Anecdotally, this may apply more for steel (due to its value) and concrete (due to weight and ease to recycle) at present.
7. Public sector organisations and some businesses in the private sector are setting and achieving C&D waste minimisation targets. For example, Kāinga Ora is achieving waste diversion targets of over 83 per cent in Auckland and Northland, and several council / private partnership waste minimisation trial projects have achieved over 90 per cent diversion in Auckland.

However, a range of barriers make diversion of C&D waste a challenge

8. Reducing waste during construction and diverting more C&D waste from landfill presents economic opportunities that can achieve waste, resource efficiency, and emissions reduction outcomes.
9. However, across New Zealand, industry tells us management of C&D waste is more incentivised to focus on disposal at present. Disposal generally remains a cheaper option than resource recovery. Businesses implementing waste minimisation may face higher costs, relative to their competitors, and struggle with limited market demand for recovered resources.

10. Out of scope

11. A lack of end markets for post-use products is an additional barrier. Although end-markets for a few post-use products exist, they currently vary in economic value and environmental benefits. Officials are aware of some research and business models being explored across industry to help develop more end-market options. However, there are limited incentives for industry-led investment into resource recovery infrastructure, post-use product development, and to embed common practices for system-wide change.

⁴ New Zealand is also actively participating in international negotiations towards a legally binding treaty to end plastic pollution, covering all sectors [BRF-4294 refers].

12. Finally, New Zealand's entire waste system was estimated in 2020 to have a resource recovery infrastructure deficit of \$2.1-\$2.6 billion, with other enabling services needing approximately \$0.9 billion. A high level of diversion (over 80 per cent) is currently only achievable in Auckland and Northland where infrastructure is more accessible. While the C&D resource recovery system is growing, it is deficient in areas outside of Auckland.

Industry tools and practices to reduce waste from landfill can partially address these challenges

13. Out of scope

14. The Ministry currently has a strategic partnership with BRANZ to help accelerate updating their guidance and tools. This partnership also includes creating a national map of C&D resource recovery infrastructure. We expect this work to be completed in 2024.

15. Out of scope

- 16.

- 17.

Government initiatives

18. The levy expansion and increase from July 2021 has resulted in an increase in available funds for the Government to make strategic investments and support waste minimisation initiatives. The Waste Minimisation Fund (WMF) currently prioritises applications for C&D resource recovery infrastructure and wood waste projects.
19. Prior to the levy increase in 2021, the Government invested \$1.6 million into six C&D projects delivered between 2019 and 2022, which diverted approximately 40,000 tonnes per annum of C&D waste from landfill.
20. Since 2021, there are 18 C&D projects active across the WMF and the Plastics Innovation Fund which aim to divert 125,000 tonnes of C&D waste per annum from landfill (mainly wood and plastics). These projects have received co-investment of \$21.8 million (total project costs \$53.8 million).
21. This investment, along with a range of other initiatives are part of the Ministry implementing actions outlined in Chapter 15 (Waste) of the first Emissions Reduction Plan (ERP) 2022-2025. The ERP1 includes three specific actions to reduce and divert construction and demolition waste to more beneficial uses. The Ministry also supports ERP1 actions led by other agencies for reducing construction waste and emissions.

22. Out of scope

Out of scope

Analysis and advice

Opportunities to address construction and demolition waste

26. Officials consider the main areas of opportunity for reducing C&D waste include:

i investment in resource recovery infrastructure and other solutions,

ii Out of scope

iii

Investment in resource recovery infrastructure and other solutions

27. The waste levy can be used to co-invest with industry on C&D infrastructure, Out of scope. Infrastructure investment would help to build a national capacity for material sorting and recovery facilities across all regional areas. This capacity would provide more options for diversion from landfill, and help develop lower-cost feedstock that can be incorporated into the manufacture of higher-value construction products. This would, in turn, stimulate demand for C&D waste feedstock, develop an end-market industry, and mean less raw materials are extracted for new products through resource efficiency.


28. There are another 13 projects that have been invited to apply to the WMF (as of March 2024), for a total of \$26.2 million in funding (\$68.4 million in total project costs), with the

⁵ *Briefing to reduce C&D waste going to landfill*, Environment Select Committee, August 2023.


⁶ *Urban ground truths - valuing urban soil and subsoil in urban development*, Parliamentary Commissioner for the Environment, 7 March 2024.

potential to divert an estimated 300,000 tonnes of material per annum. These are mostly centred on establishing new C&D resource recovery facilities, systemic/behaviour change, and end-market solutions. Note that not all of these are expected to receive funding.


29. Out of scope



30. Out of scope



Out of scope



Out of scope

