

Aide memoire: Investment of the waste disposal levy

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Actions sought from ministers	
<i>Name and position</i>	<i>Action sought</i>
To Hon Chris BISHOP Associate Minister of Finance	For noting only
CC Hon Penny SIMMONDS Minister for the Environment	For noting only

Appendices and attachments
<ol style="list-style-type: none"> 1. Background on the levy and how it flows through to investment by central government 2. List of Waste Minimisation Fund projects 3. List of Plastics Innovation Fund projects

Key contacts at Ministry for the Environment			
<i>Position</i>	<i>Name</i>	<i>Cell phone</i>	<i>First contact</i>
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Investment of the waste disposal levy

Purpose

1. This aide memoire responds to your (Minister Bishop) request for information on how the waste disposal levy has been invested through the waste funding programmes.

Background

The Ministry operates two funding programmes for waste minimisation: the Waste Minimisation Fund (WMF) and the Plastics Innovation Fund (PIF)

2. Background on the levy and how it flows through to investment by central government in waste minimisation is set out in appendix one.
3. The Waste Minimisation Fund (WMF) was established in 2010 as the means to distribute the government portion of the levy via a contestable process. The Plastics Innovation Fund (PIF) was set up in 2021, funded by a carve-out from the levy of up to \$50 million over four years to minimise plastic waste.

What has been funded and the impact of those investments

Waste Minimisation Fund

4. Since 2010 the WMF has invested \$190 million to co-fund 324 projects¹. This funding has been accompanied by \$212 million of co-funding . Funding “signals” or priorities are agreed by the Minister for the Environment on a periodic basis (e.g. tyres, plastic, construction and demolition waste).
5. Active projects and projects awarded and in contracting are expected to divert upwards of 300,000 tonnes of waste per year to beneficial use based on forecasted results targets. These targets are tracked for each project. In addition, there are 30 projects worth \$76 million in the pipeline (not including expressions of interest).
6. Most investment has been in infrastructure in the form of resource recovery and processing facilities. But the WMF has also funded a range of innovation projects to research, test and scale new products, services or technologies that can reduce waste.
7. A small sample of projects co-funded by the WMF follows, with a full list of recent projects attached at appendix two:
 - i. \$988,300 to BioRich Limited, a composting plant in Napier, to help repair the destruction to the site as a result of Cyclone Gabrielle. The funding will improve site

¹ Includes 12 projects (\$24 million) that have been awarded funding and are at the contracting stage. Also includes funding from the Climate Emergency Response Fund (CERF).

stormwater management and increase the region's ability to process 100,000 tonnes of organic waste each year into valuable products.

- ii. Grants of \$1.2 million and \$210,000 to support the tyres and large battery product stewardship schemes respectively.
- iii. \$900,000 to Buller District Council for development of a coordinated regional waste recovery network for construction and demolition waste across the West Coast.
- iv. \$440,200 funding to Grun Infrastructure to support the establishment of the first Construction and Demolition (C&D) recycling facility in the greater Wellington region. The funding enabled Grun to make two significant capital purchases (C&D shredder and excavator). As a result of this project Grun has been able to recover and divert 70-80% of their demolition waste (>15 kt to date). Building on the success of this project Grun are currently expanding their operations to recycle waste from other companies in the region, diverting more material from landfill.

Plastics Innovation Fund

- 8. The PIF was launched in November 2021 to support projects that minimise plastic waste and its harm to the environment. To date there have been two targeted funding rounds resulting in \$40.5 million of the \$50 million being contracted or allocated to projects.
- 9. Examples of PIF projects are set out below, with a full list in appendix three.
 - i. A grant of \$1.47 million to Recycle South (Southland Disability Enterprises) to increase capacity to process farm plastics by 8,580 tonnes a year. Funding of \$450,000 was also provided for a shredder to handle multiple types of plastics in large quantities and transportation of 10,000 tonnes of flood-damaged fadges (wool sacks) from Hawke's Bay.
 - ii. \$4.5 million to Marley New Zealand to minimise plastic waste going to landfill in the construction and demolition industry. The project, in partnership with Unitec and Waste Management, will increase sorting, washing, shredding capabilities for High Density Polyethylene (HDPE) and Polyvinyl Chloride (PVC) pipes at facilities in both North and South Island, allowing them to be recycled back into new pipes.
 - iii. \$606,000 to Kaipaki Dairies for a reusable milk tap system that enables removal of more than 1,000,000 single use plastic milk bottles a year from 2025, up from 180,000. The funding increases Kaipaki's capacity to supply milk in reusable containers by ten times their current amount to the hospitality sector.
 - iv. \$93,100 to 9(2)(b)(ii) [REDACTED]

Next steps

10. Officials are happy to meet with you to provide further background and information if required.

Signatures



Michelle Kazor

Programme Director – Waste Investments

Waste Investments

28 March 2024

Hon Chris BISHOP

Associate Minister of Finance

Date