PROACTIVE RELEASE COVERSHEET

Minister	Hon Penny Simmonds	Portfolio	Environment
Name of package	Further documents related to the waste and resource efficiency work programme and strategy	**Date to be published**	July 2025

List of documents that have been proactively released		
Date	***Title***	***Author***
13/01/2025	Briefing: Publishing the waste and resource efficiency strategy	Ministry for the Environment
05/11/2024	Aide memoire: Talking points for Cabinet paper: Waste and resource efficiency work programme	Ministry for the Environment
05/11/2024	Aide memoire Appendix 1: Talking points for Cabinet paper: Waste and resource efficiency work programme	Ministry for the Environment
05/11/2024	Aide memoire Appendix 2: Background information on Cabinet paper: Waste and resource efficiency work programme	Ministry for the Environment
17/09/2024	Briefing: Cover briefing for Cabinet paper CAB-483: Waste and resource efficiency work programme	Ministry for the Environment
17/09/2024	Briefing Appendix 2: Key themes from public consultation on the waste strategy in 2021	Ministry for the Environment
28/03/2024	Briefing: Next steps for hard-to-recycle and single-use plastics phase outs	Ministry for the Environment
28/03/2024	Briefing Appendix 1: Details of extensions and exemptions requested by stakeholders, and other technical issues	Ministry for the Environment
28/03/2024	Briefing Appendix 2: Full analysis of recommendations for next steps for Tranche 3 phase outs	Ministry for the Environment
14/08/2024	Briefing: Options for addressing stakeholder concerns around requirements for produce labels from 1 July 2025	Ministry for the Environment
14/08/2024	Briefing Appendix 1: Multi criteria analysis for addressing stakeholder concerns	Ministry for the Environment
20/03/2024	Briefing: Policy options for provision of household kerbside recycling and food scraps services	Ministry for the Environment
20/03/2024	Briefing Appendix 1: Policy options for provision of household kerbside recycling and food scraps services	Ministry for the Environment
20/03/2024	Briefing Appendix 2: Food scrap collections timeline considerations	Ministry for the Environment

20/03/2024	Briefing Appendix 3: Options for food scraps services	Ministry for the Environment
20/03/2024	Briefing Appendix 4: Options for kerbside recycling services	Ministry for the Environment

Information redacted **YES**

Any information redacted in this document is redacted in accordance with the Ministry for the Environment's policy on proactive release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Summary of reasons for redaction

Some information has been withheld from:

- *Appendix 2: Background information on Cabinet paper: Waste and resource efficiency work programme*; *Cover briefing for Cabinet paper CAB-483: Waste and resource efficiency work programme;* and *Options for addressing stakeholder concerns around requirements for produce labels from 1 July 2025* under section 9(2)(h) of the Official Information Act to protect legal professional privilege.
- *Next steps for hard-to-recycle and single-use plastics phase outs* under section 9(2)(a) of the Official Information Act to protect the privacy of natural persons.

In addition, some attachments have been withheld in full because they are already publicly available.

Clarification of views

Appendix 2: Background information on Cabinet paper: Waste and resource efficiency work programme includes a summary of views from some organisations in relation to phase outs of hard-to-recycle and single use plastics. In relation to the views attributed to Plastics NZ, that organisation has advised that they advocate for the use of a decision tree focused on design, application and local systems to be used for proposed regulatory interventions related to packaging. Plastics NZ also differentiated between their views on packaging and non-packaging applications for certain materials. Plastics NZ noted removal of a timeline for implementation creates uncertainty for businesses and is unfair for those who have invested time and money into meeting the original phaseout deadline.

Briefing: Publishing the waste and resource efficiency strategy

Date submitted: 31 January 2025
Tracking number: BRF-5794
Security level: Unclassified
MfE priority: Not urgent

Actions sought from ministers		
Name and position	***Action sought***	***Response by***
To Hon Penny SIMMONDS Minister for the Environment	**Provide feedback** on proposed edits to the waste and resource efficiency strategy **Agree** that the strategy be finalised for publication	At your convenience to enable strategy to be published by end of February

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

Appendices and attachments
1. *Waste and resource efficiency strategy* (with track changes incorporating stakeholder feedback)

Key contacts at Ministry for the Environment			
Position	***Name***	***Cell phone***	***First contact***
Principal Author	Stephanie Hill		
Director	Glenn Wigley	64 27 4917806	✓

Minister's comments

Publishing the waste and resource efficiency strategy

We have feedback on the waste and resource efficiency strategy from targeted stakeholder engagement

1. In November 2024, Cabinet agreed to replace the previous Government's waste strategy [ECO-24-MIN-0254 refers]. This agreement was subject to targeted stakeholder engagement.

2. Officials undertook targeted engagement in December 2024 on your behalf, with:

    - the Waste and Recycling Industry Forum (WRIF)
    - representatives of WasteMINZ Territorial Authorities Officers Forum
    - the Waste Advisory Board (WAB).

3. Stakeholders provided feedback on:

    - wording choices / editorial matters, which has been incorporated into the strategy in track changes for your consideration (appendix 1)
    - more substantive potential changes to the strategy (summarised in table 1 and paragraphs 5 to 8, along with officials' advice on how this could be incorporated into the strategy; some suggestions are also in tracked changes in appendix 1)
    - matters relating to implementation of the strategy, which is also summarised below (table 2).

Stakeholders proposed a range of additional outcomes and other changes

4. Feedback that officials recommend incorporating into the strategy is outlined in table 1.

Table 1: Stakeholder feedback on the waste and resource efficiency strategy		
Stakeholder	***Suggestion***	***Response***
WRIF	The outcomes relating to modern management of waste facilities and remediation of legacy sites focus on what needs to be done, rather than what outcomes we want to achieve by doing these actions. It is also difficult to measure these outcomes – could they be re-drafted to focus on	The outcomes could be re-phrased to focus on what we are trying to achieve, rather than what we want to do: Instead of 'ensuring modern management of resource recovery and disposal facilities' the outcome could be 'ensure resource

	outcomes we want to achieve instead.	recovery and disposal facilities are managed to minimise their environmental impacts' or similar (noting this objective relates more to resource management than waste tools and legislation). Instead of 'proactively remediating legacy sites before they cause further environmental harm' the outcome could be 'limit the environmental harm caused by contaminated sites including legacy sites' – this could accommodate both prevention and remediation of contaminated sites.
WAB	The WAB welcomes the outcome about proactively remediating legacy sites, but considers it needs to be supported by an additional outcome that focuses on preventing the creation of new contaminated sites.	
WAB	A footnote should be used to clarify that the intention is for emissions to be considered from a full lifecycle perspective rather than just from end-of-life disposal. Some materials and products have limited disposal emissions but significant emissions elsewhere in their lifecycle. For example, concrete doesn't produce emissions when disposed in a landfill but does involve significant emissions during the extraction and production phases of its life. If we only focus on the disposal emissions it could be ignored as a waste issue, although concrete/cement is responsible for 5-8 per cent of total global greenhouse gas emissions and therefore should be maintained/reused as much as possible.	Not all of your colleagues may agree with the views expressed by the WAB. This is a broader focus than the waste actions in the second emissions reduction plan, which focus on emissions from disposal of waste (in keeping with how emissions are accounted for in the greenhouse gas inventory). The primary tool for managing emissions in other parts of the economy would continue to be the Emissions Trading Scheme, which is a key tenet of the Climate Strategy. The proposed footnote reflects that materials that may be inert in landfills may nonetheless have embodied emissions associated with them, and further may have value to the economy as recycled or reused materials (such as using concrete for aggregate).

5. The WAB and several councils considered the strategy needs clear, time-bound targets to generate momentum and enable us to track progress. Officials agree targets are valuable for measuring progress. While the strategy does not currently include specific targets, progress could be tracked in other ways eg via regular reporting on the Ministry's waste dashboards (Waste statistics | Ministry for the Environment) and therefore we are not proposing any changes.

6. The WAB recommends inclusion of some additional measures, including a reduction of per-capita consumption of materials and reducing the amount of material entering the waste management system by 10 per cent per person by 2030. We do not currently have suitable data to enable measurement of either of these proposed additions, so do not recommend incorporating them into the strategy. If resources allow, further analysis could be done to enable reporting against these objectives in the future.

7. The WAB notes there are no outcomes that explicitly relate to reduction or avoidance of waste. Officials note the outcome of reducing per capita waste and use of the waste hierarchy as a tool do enable consideration of reduction/ avoidance of waste, without an explicit outcome just focused on that aspect. Ideally, waste dashboards would include data that allowed us to assess trends in waste production (ie, if waste disposal decreases, is it because we are using less resources or just because more materials are being recycled)? We currently lack data that would enable this analysis.

8. The WAB also recommends additional outcomes to show that consumers have changed their behaviour, and that their awareness has been raised. The WAB views these issues as critical if we are to achieve any of the outcomes currently proposed, which will be in part dependent on the delivery of new business models and better product design. Officials consider raising consumer awareness and changing consumer behaviour are tools rather than desired outcomes in their own right and are already accommodated within the tools included in the strategy.

Stakeholders also provided feedback on strategy implementation

9. Themes relating to strategy implementation are summarised in table 2.

Table 2: Stakeholder feedback on implementation of the waste and resource efficiency strategy

Stakeholder	***Feedback***	***Comment***
WRIF	The strategy should align with other relevant strategic documents including the National Infrastructure Plan and emissions reduction plan; and the strategy should in turn to provide a high degree of guidance to councils' waste management and minimisation plans	Your proposals for review of waste legislation include a strengthened requirement for territorial authorities to give effect to the national strategy in their planning documents
WRIF	A clear prioritisation framework is necessary for managing inevitable tensions between the different elements of the strategy	Many decisions involve competing objectives; the strategy is intended to provide overarching guidance rather than dictate the outcomes of every future decision
WasteMINZ	Funding mechanisms need to align with outcomes being sought, through targeting investment at the top of the hierarchy i.e. enabling waste minimisation (prevention, reduction, diversion, mitigation, innovation) rather than further down or adjacent to the waste hierarchy e.g. litter clean-ups or site remediation. These latter activities are valuable but reactive and do not address problems at	Proposals for review of waste legislation include establishing the waste hierarchy as a guiding principle in legislation; and improving provisions for product stewardship/extended producer responsibility.

	source. Product stewardship arrangements are needed to shift costs onto producers and retailers, to align incentives appropriately.	
Hastings District Council	Territorial authorities would benefit from updated guidance on how the levy should be allocated, taking account of the government waste strategy and the local waste management and minimisation plan	Proposals for waste legislation will include further consideration of roles for local government (including use of waste levy funding)
Whanganui District Council	Central government should consider the resourcing implications of proposals for local government – without support financially, territorial authorities will struggle to deliver on outcomes and communities will bear the brunt of increasing rates	
Auckland Council	The strategy should be developed and implemented in partnership with iwi/mana whenua	You have indicated you want to get the strategy finalised and published so it can provide clarity to the sector and enable a focus on implementation. Specific items on your work plan for implementing the strategy will involve consultation and engagement, including with mana whenua/iwi.

Next steps

10. We are seeking your feedback on any changes you would like to incorporate into the strategy. This includes any feedback on the draft Minister's foreword (see appendix 1).

11. We will then have the text externally proofed and edited and designed for publication. We propose to use the same designer who helped with design of the climate strategy.[1]

12. We intend to provide you with a designed publication for your final approval by the end of February. Officials will liaise with your office on plans for publicly releasing the strategy and your work plan.

[1] environment.govt.nz/assets/J001281-MfE-Climate-strategy-brochure-FF_webV2.pdf

Recommendations

We recommend that you:

a. **provide feedback** on the waste and resource efficiency strategy in appendix 1, including the proposed Minister's foreword and track change edits

Yes | No

b. **meet** with officials to discuss this briefing, including whether any further Ministerial engagement is necessary

Yes | No

c. **note** officials will incorporate your feedback and finalise the strategy for publication, including editing, proofing, and design

Signatures

G Wigley

Glenn Wigley
General Manager – Waste & HSNO Policy
Climate Change Mitigation and Resource Efficiency
31 January 2025

Hon Penny Simmonds
Minister for the Environment
Date

Ministry for the Environment
Manatū Mō Te Taiao

Document 2.1

Aide memoire: Talking points for Cabinet paper: *Waste and resource efficiency work programme*

Date submitted: 5 November 2024
Tracking number: BRF-5433
Security level: CLASSIFICATION

Actions sought from ministers	
Name and position	***Action sought***
To Hon Penny SIMMONDS **Minister for the Environment**	Use the enclosed information to support you at Cabinet Economic Policy Committee (ECO) on 13 November 2024

Appendices and attachments
1. Talking points for Cabinet paper: *Waste and resource efficiency work programme* 2. Background information for Cabinet paper: *Waste and resource efficiency work programme* 3. CBC-21-MIN-0057 Cabinet Business Committee Minute of Decision. Proposals for Phase-outs of Certain Hard-to-recycle Plastics and Single-use Items

Key contacts at Ministry for the Environment			
Position	***Name***	***Cell phone***	***First contact***
Principal Author	Stephanie Hill		
General Manager	Glenn Wigley	64 27 4917806	✓

Talking points for Cabinet paper: *Waste and resource efficiency work programme*

Purpose

1. You are presenting an agenda item to the Cabinet Economic Policy Committee (ECO) at 9 am on 13 November 2024.

2. You are seeking decisions on:

    i. replacing the current waste strategy with a new, simplified approach setting out key outcomes and the approach to achieving them;

    ii. your work plan to contribute to achieving these outcomes;

    iii. matters relating to the phase-out of certain plastic products;

    iv. rescinding various mandatory provisions related to kerbside recycling agreed by the previous Government.

3. This aide memoire provides you with talking points (appendix 1) and additional information (appendices 2 and 3) to support you at the meeting.

4. Sam Buckle (Deputy Secretary) and Glenn Wigley (General Manager) will be present to support if requested by the Cabinet Committee.

Signatures

Glenn Wigley
General Manager – Waste & HSNO Policy
Climate Change Mitigation and Resource Efficiency

Date 8 November 2024

Hon Penny SIMMONDS
Minister for the Environment

Date

Appendix One: Talking points for Cabinet paper: *Waste and resource efficiency work programme*

1. Waste contributes to economic and environmental harm and is a prevalent public concern – polling shows waste-related topics make up three of the top eight sustainability concerns for New Zealanders.

2. We generate substantial quantities of waste each year. We are worse than Australia and many other countries at reusing and recycling materials. A lack of infrastructure, poor household confidence and confusion about recyclability are contributing factors.

3. Reducing waste and waste emissions can help us to meet climate targets. Proactively investing in remediation of contaminated sites will avoid more costly reactive responses after adverse weather events.

4. Actions taken in a measured way will support productivity, trade and resilience, whilst also minimising impacts on the cost of living.

Waste strategy

5. A waste strategy was adopted by the previous Government in March 2023.

6. I propose to replace this with a much simpler and more straight-forward approach, which sets out the Government's overall outcomes it wants to achieve for waste and resource efficiency, and the proposed tools and approaches it will use.

7. This will be accompanied by an action plan, which outlines the focus for this term of Government.

8. My overall objectives are:

    i. reduction of per capita waste disposal;

    ii. increasing reuse and recycling of materials;

    iii. minimising emissions and environmental harm from waste and litter;

    iv. ensuring modern management of resource recovery and disposal facilities;

v. proactively remediating legacy sites before they cause further environmental harm.

9. If Cabinet agrees to the new strategy, I will undertake some targeted engagement with the waste sector before finalising it for publication.

10. I do not propose a full public consultation, as this will further delay much needed implementation.

Other work programme components

11. As part of the work programme, I propose to undertake a review of the Waste Minimisation Act and the Litter Act. The review will help to ensure that the waste levy spend is efficient and effective.

12. I intend to broaden the scope of matters local government can spend their allocation of the waste levy on and ensure there is a modern compliance and monitoring regime.

13. The sector is interested in a beverage container return scheme. The waste legislation work could create a framework for a future scheme, which could be established through subsequent regulation.

14. Aside from establishing the framework in the legislation, I do not intend to progress a container return scheme in this term of government.

15. I am also seeking decisions on:

   i. matters relating to the phase-out of certain hard-to-recycle and single-use plastic products;

   ii. rescinding various mandatory provisions related to kerbside recycling agreed by the previous Government.

Plastics phase-outs

16. Polyvinyl chloride (PVC) and polystyrene (PS) contaminate the recycling of higher value plastics and are no longer accepted in kerbside recycling. Various PVC and PS items were banned in 2022 (including polystyrene and expanded polystyrene takeaway food and beverage packaging and some PVC food trays and containers). A longer lead-in time was provided for some additional PVC and PS items, which were considered more difficult to replace.

~~16.~~17. There ~~remains~~ is widespread public and industry support for these proposals, but there is more work to do on identifying suitable lead times and possible exceptions.

~~17.~~18. I propose to continue with these phase-outs, which will help simplify and improve domestic recycling and provide a level playing field for all businesses that manufacture or sell PVC and PS food and beverage packaging - but I do intend to make sure the regulations are workable and practical. This will include extending the original timelines, and including exemptions as required.

~~18.~~19. I want to provide certainty to food and beverage stakeholders. The main feedback I have heard from them is that they would like regulations to be in place sooner rather than later, but to provide a sufficient window for businesses to make the necessary operational changes (which many have already begun to do) and run-down existing stock.

~~19.~~20. When I bring proposals back to Cabinet to seek approval, I will provide detailed information on the views of stakeholders, any operational issues, and proposed exemptions to ensure the regulations are workable.

Appendix Two: background information for Cabinet paper: *Waste and resource efficiency work programme*

1. This appendix provides some additional background information on components of your waste and resource efficiency work programme, such as recent advice you have received on the topic and/or upcoming advice you will receive.

2. The full range of work programme items is in appendix 2 of Cabinet paper CAB-483.

Waste strategy

3. The Cabinet paper seeks agreement to replace the waste strategy adopted by the previous Government in March 2023 with a higher-level document setting out the strategic direction for your waste and resource efficiency portfolio.

4. You have indicated you will discuss the strategy with the sector before finalising it for publication (BRF-5330 and CAB-483 refer). Once Cabinet agrees the content of your strategy, there will not be scope for substantial amendments or change in direction. For this reason, despite the wide interest in the strategy you may need to keep the engagement quite focussed. This would provide an opportunity for transparency with key stakeholders.

5. Officials could discuss the strategy with the Waste Advisory Board, the Waste and Recycling Industry Forum and some key members of WasteMINZ (such as CEO Nic Quilty, Board Chair Parul Sood and the Chair of the Territorial Authorities' Officers Forum).

6. While it is a courtesy to engage with key stakeholders before finalising the new strategy for publication, there is likely to still be criticism of the process followed.

Waste legislation

7. Work relating to waste legislation includes:

    a. implementation of the recent amendments established by the Waste Minimisation (Waste Disposal Levy) Amendment Act 2024.

       This work is ongoing, including development of internal policies to support new funding areas (contaminated sites/vulnerable landfills and emergency waste) and additional grounds for waivers of the waste disposal levy (levy).

    b. reviewing the Waste Minimisation Act 2008 (WMA) and Litter Act 1979 to deliver fit-for-purpose legislation.

       You have received a series of briefings on the scope and content of the legislation review (BRF-4645, BRF-5056, BRF-5224, BRF-5300 refer). You have already indicated some matters you would like to include within review proposals, such as changes to the matters local government can spend levy money on, which is reflected in the Cabinet paper (CAB-483). You will receive further briefings over the coming months (upcoming briefings BRF-5301 and BRF-5226 are due before the end of November) to seek your agreement on proposals to be incorporated into a public consultation document.

8. For territorial authorities, annual levy revenue received ranges from over $26 million (for Auckland council) to around $11,000 (for Chatham Islands council). Indicative levy funding for some example large and small councils (based on the current population-based split) are outlined in table 1, below.

Table 1: Indicative levy funding to territorial authorities		
Council	***Population[1]***	***Levy revenue received (2023/24) ($)***
Auckland council	1,656,486	26,642,183
Christchurch city council	391,383	6,255,018
South Wairarapa district council	11,811	179,256
Kaikoura district council	4,215	66,312
Total levy funding to territorial authorities		79,664,911

9. Some of your colleagues may be interested in a potential beverage container return scheme. The waste legislation work could include creating a framework for a potential container return scheme, which could then be established through a regulation-making process.

10. Details of key interest such as the level at which a deposit should be set and what return network requirements would be in place would be set by regulation so would not need to be agreed upfront. You have signalled you do not intend to progress establishment of a scheme in this term of government.

11. Your colleagues would have an opportunity to provide you with feedback on a beverage container return scheme when you take the waste legislation proposals to Cabinet.

Levy investment

12. Cabinet has requested you to report back on various matters relating to investment of the levy. You received a draft of this Cabinet report-back paper (CAB-471) and cover briefing (BRF-5515) including copies of independent reviews by KPMG and Sapere on 1 November 2024. It is proposed that this paper be considered at Cabinet Economic Policy committee (ECO) on 20 November 2024.

13. Appendix 2 of the Cabinet paper CAB-483 provides a summary of the investment priorities that Cabinet previously agreed [CAB-24-MIN-0138 refers], and notes that you will consult with the Minister of Finance, Minister for Infrastructure, Minister for Regional

[1] Source: 2023 Census

Development, and any other relevant portfolio ministers, on all projects seeking over $10 million in levy funding.

14. The new Contaminated Sites and Vulnerable Landfills Fund opened on 1 October 2024. The Waste Minimisation Fund re-opened on 22 October 2024.

Plastics phase-outs

PVC and PS phase-outs

15. In June 2021, the previous government agreed to phase out certain hard-to-recycle and single-use plastic products in three stages [CBC-21-MIN-0057 refers – this minute is included as appendix 3 for your reference]. Regulations for the first two stages are already in force, including extensions and exemptions for some items.[2]

16. The scope of the proposed third stage includes all other food and beverage packaging made from polyvinyl chloride (PVC) and polystyrene (PS) that was not captured in stage one. Regulations would need to be developed to progress and implement this stage. It was initially proposed that regulations would take effect in July 2025, which is no longer workable. Officials' current view is that a more suitable timeframe would be to enact regulations in 2025, with an implementation date of mid-2027 but the timeline is left open in the Cabinet paper.

17. The bans align with February 2024 changes implemented for nationwide standardised kerbside recycling. PVC and PS packaging are no longer accepted at kerbside, because these plastic types are typically not recycled in New Zealand and contaminate our recycling streams. The changes are also well-aligned with global movements.

18. Key affected stakeholders are aware and broadly supportive of the proposed stage three bans. Industry and businesses have invested in research into alternative materials and the operational changes required to comply with future regulations. Regulations would ensure a level playing field for all businesses that manufacture or sell PVC and PS food and beverage packaging.

19. Ministry officials engaged widely on the proposed phase-outs during policy development, and in 2023 ahead of the proposed mid-2025 implementation date. This was followed up with a phone call with the Food and Grocery Council (FGC) in November 2024 (as part of regular engagement). While individual members of the FGC will have their own views, the general view of the FGC is that these regulations have been clearly signalled for a long time and should be progressed.

20. In general, companies have already made significant investments in anticipation of the requirements but for some products, companies requested a longer timeframe and would support the recommendation of additional work to ensure the regulations are workable. The main request officials heard was for a longer lead-in time (e.g. from Fonterra). However, others have been disappointed by the prospect of a delay (e.g. Goodman-Fielder).

[2] Waste Minimisation (Plastic and Related Products) Regulations 2022.

21. Plastics NZ as the peak industry body supports the phase-outs, particularly given the direction of plastics treaty negotiations at the moment, with PVC and PS (especially in food and beverage formats) being proposed as potential products for phase out globally.

22. Further information is contained in BRF-4364.

Produce labels

23. The Ministry provided you with a range of options relating to produce label requirements, outlined in BRF-5097. In July 2023, the Waste Minimisation (Plastic and Related Products) Regulations 2022 came into force, requiring home-grown produce labels to be certified home compostable, except the adhesive. You decided to extend the date by which the labels on all produce sold in New Zealand (both imported and home-grown produce) must be fully home compostable (including both the label and its adhesive) to 1 July 2028.

24. The need for the extension has been triggered by international markets not shifting to compostable labels as quickly as first anticipated. New Zealand has little power to influence those markets and so we risk a situation where they choose not to provide produce to the New Zealand market. Produce that we import that could be affected includes lemons and limes. Alternatively, produce may need to have non-compliant labels removed prior to sale. Either of these options could reduce choice and/or increase costs for New Zealand consumers.

25. However, we do know that international markets, and specifically the EU is transitioning to home compostable labels and adhesives by 2028. This is the reason for the proposed extension to 2028. You have chosen to apply the same deadline to importers and domestic producers, for fairness. If we got rid of the importers' requirements altogether, domestic producers would see that as unfair and not a level playing field.

26. Some of your colleagues may ask for information on the implications of dropping this requirement for produce labels altogether, rather than extending the implementation date. Key points to note in relation to this option include:

    i. we have not consulted with stakeholders on this option. While industry groups have not always been fully supportive of these regulations, we expect this option may not be well-received given the efforts and investments domestically to comply with the 2023 and 2025 regulations.

    ii. this option presents a risk of New Zealand being perceived internationally as going backwards on policies to reduce plastic waste, particularly in light of current international negotiations towards a legally binding treaty to end plastic pollution [BRF-4294 refers].

    iii. 9(2)(h) [redacted]

[3] For a full discussion of these issues, refer to paragraphs 23 to 26 of BRF-5097.

Product stewardship

27. ECO will also be considering CAB-472 (Proposed product stewardship regulation for synthetic refrigerants). This is a component of your recycling and resource recovery work stream and will help to achieve emissions reduction goals and support the goals of the Montreal Protocol [BRF-5320 refers].

Agricultural product stewardship

28. Farm plastics and agrichemicals and their containers ('farm waste') are covered by a single product stewardship scheme called 'Green-Farms'. The Agrecovery Foundation led the industry co-design process for the scheme. The Trustees of the Agrecovery Foundation represent key areas of the primary sector including Chair Anders Crofoot who represents Federated Farmers (he has also been on the National Board of Federated Farmers) and Bridie Virbickas, representing DairyNZ (also holds positions within Federated Farmers).

29. The next step will be seeking Cabinet approval to consult on proposed regulations to support the scheme, likely in early 2025. We would expect submissions from those stakeholders during consultation.

Tyres

30. Some of your colleagues may raise the issue of exporters of tyres being captured by the product stewardship fee. Officials have identified an interim solution to resolve the issue until the regulations can be amended. Officials are now seeking further legal advice to ensure the solution would be workable. If suitable, the interim solution should be able to be implemented before Christmas.

Kerbside recycling

31. Food scraps make up a third of a typical New Zealand household rubbish bag. Including other organic materials such as garden waste, around 50 per cent of a household's rubbish bag or bin can be organic waste (which generates greenhouse gas emissions when disposed of in landfills).

32. As an indicative range, operational costs for food scrap services managed by territorial authorities range from $30 to $100 per household per year. Most are between $40 to $60.

33. Operational costs for food scrap and garden waste collections are more variable – costs can be affected by the type of collection (eg if garden waste is collected separately or combined with food scraps), the frequency (eg fortnightly or monthly), the size of the bin, and variability in quantities of garden waste produced in different locations. Operational costs tend to range between $60 and $200 per year.

34. Some of the cost may be offset by reduced rubbish disposal costs, particularly if rubbish collection moves from weekly to fortnightly. More than a dozen territorial authorities have switched to fortnightly rubbish collections following the introduction of a food or food and garden waste collection. Households who currently pay for garden waste disposal may also have reduced costs overall if they can use a council-run service.

International Treaties

Basel convention

35. The Ministry consulted from 31 July to 28 August 2024 on proposed regulations to better manage the international trade in e-waste. In 2022, the 15th Conference of the Parties to the Basel Convention adopted a decision that transboundary movement of all e-waste will require consent from the importing country. Currently in New Zealand, prior informed consent is required to import or export hazardous e-waste under the Basel Convention.

36. Officials are analysing submissions and will provide you with a draft Cabinet paper seeking agreement to development of regulations to implement the Basel requirements. It is proposed that the paper be considered by ECO in 2025.

37. The consultation document outlined a range of anticipated outcomes from implementing the Basel requirements, including:

    - providing clarity for importers, exporters, and importing and exporting countries
    - encouraging transparency in the trade of e-waste and supporting its environmentally sound management
    - maintaining the international reputation and credibility of New Zealand, as a Party to the Basel Convention.

38. If New Zealand opted out of the Basel Convention e-waste amendments, businesses would likely be prevented from exporting non-hazardous e-waste to countries we currently export to. This is because the Environmental Protection Authority (EPA) would be unable to issue permits for them.

39. It is likely that New Zealand exporters could export non-hazardous e-waste only to countries that have not implemented the Basel Convention e-waste amendments. This could also lead to increased disposal of e-waste to landfill (if export options are limited).

Minamata

40. The Minamata Convention on Mercury (the ‘Minamata Convention’) is the multilateral environmental agreement aimed at addressing the threat posed by anthropogenic (human-made) mercury pollution. New Zealand signed the Minamata Convention in 2013 but has not yet ratified.

41. The Minamata Convention is the only chemicals and waste treaty that New Zealand has not yet ratified.

42. The Ministry’s National Interest Analysis (NIA) submitted to Parliament in 2013 concluded that the benefits to New Zealand becoming a Party to the Minamata Convention outweighed the associated disadvantages.

43. Mercury is a cross-domain pollutant (air, water, and land) and the Minamata Convention has interventions at all parts of the mercury cycle (extraction, use in products, anthropogenic emissions, and releases (discharges to land or water) and as waste.

44. Ratifying the Minamata Convention is likely to require changes to several pieces of legislation to meet the obligations: Waste Minimisation Act 2008 (WMA), Imports and Exports (Restrictions) Act 1998 (I&ERA), Hazardous Substances and New Organisms

Act 1996 (HSNO) and the Resource Management (National Environmental Standards for Air Quality) (NESAQ).

45. There is a low risk that ratifying the Minamata Convention may appear, to industry, to hinder future gold-mining opportunities or an industry perception that it will restrict new geothermal energy and waste-to-energy generation plants. However, by ratifying the Minamata Convention, new activities that use best available techniques and meet best environmental practices to manage any mercury emissions or releases would not be prohibited.

46. The Minamata Convention prohibits new primary mercury mining. New Zealand currently meets this requirement as under section 87B (4) of the current Resource Management Act 1991, any mining whose main purpose is to mine mercury must be treated as a prohibited activity.

Petitions on plastic waste

47. There are interdependencies and connections between areas of your work programme, particularly for plastic waste. As outlined in appendix 2 of the Cabinet paper (CAB-483), you will be bringing proposed responses to Cabinet on two Environment Committee reports on petitions:

    a. petition by Hannah Blumhardt on banning single-use disposable service-ware (you are scheduled to receive cover briefing BRF-5424 and CAB-494 in the week ending 8 November)

    b. petition by Lydia Chai on banning the export of New Zealand's plastic waste to developing countries (BRF-3959 and draft CAB-482 refer – it is currently proposed that this Cabinet paper goes to LEG on 21 November).

48. The proposed draft Government response to the Lydia Chai petition does not support a ban on the export of plastic waste and proposes alternative action such as investment in onshore processing, continue to develop a regulated product stewardship for the packaging sector and review the compliance and enforcement of waste imports and exports.

Emissions reductions

49. Consultation on the second emissions reduction plan (ERP2) closed on 25 August 2024. Final proposals were considered by ECO on 6 November 2024 and is scheduled to go to Cabinet on 11 November 2024. ERP2 contains initiatives to reduce emissions from waste and fluorinated gases.

Ministry for the Environment
Manatū Mō Te Taiao

Document 3

Briefing: Cover briefing for Cabinet paper CAB-483: Waste and resource efficiency work programme

Date submitted: 17 September 2024
Tracking number: BRF-5330
Sub Security level: CLASSIFICATION
MfE priority: Not urgent

Actions sought from Ministers		
Name and position	***Action sought***	***Response by***
To Hon Penny SIMMONDS **Minister for the Environment**	**Provide feedback** on the draft Cabinet paper and then **circulate** for Ministerial and Coalition Partner consultation.	Ideally for consultation to commence on 02/10/2024

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

Appendices and attachments
1. Draft Cabinet paper: *Waste and resource efficiency work programme* 2. Key themes from public consultation on the waste strategy in 2021

Key contacts at Ministry for the Environment			
Position	***Name***	***Cell phone***	***First contact***
Principal Author	Stephanie Hill		
General Manager	Glenn Wigley	0274 917806	✓

Minister's comments

Cover briefing for Cabinet paper CAB-483: Waste and resource efficiency work programme

Key messages

1. You are seeking Cabinet direction on your proposed approach for improving waste outcomes. This briefing encloses a draft Cabinet paper for your feedback and provides advice on key components, including the approach to the waste strategy.

2. An earlier version of this Cabinet paper was provided to you on July 23, 2024. The Cabinet paper has been re-written, following feedback received on the initial draft. The draft paper now seeks decisions on:

   - a new waste strategy
   - your waste and resource efficiency work plan
   - matters relating to the phase-out of certain hard-to-recycle and single-use plastic products
   - rescinding various mandatory provisions related to kerbside recycling agreed by the previous Government.

Recommendations

We recommend that you:

a. **provide feedback** on the draft Cabinet paper *Waste and resource efficiency work programme*

Yes | No

b. **meet** with officials to discuss the draft Cabinet paper

Yes | No

c. **consult** with Ministers and coalition partners on the revised draft Cabinet paper

Yes | No

Signatures

Glenn Wigley
General Manager – Waste & HSNO Policy
Climate Change Mitigation and Resource Efficiency

17 September 2024

Hon Penny SIMMONDS
Minister for the Environment

Date

Cover briefing for Cabinet paper CAB-483: Waste and resource efficiency work programme

Purpose

1. This briefing provides you with advice on draft Cabinet paper *Waste and resource efficiency work programme* (CAB-483) provided in appendix 1.

Analysis and advice

Waste strategy

2. A waste strategy (the strategy) was adopted in March 2023. The vision for the strategy is to achieve a low-emissions, low-waste society, built upon a circular economy. Industry and local government stakeholders have asked you to endorse the March 2023 strategy.

3. We understand the strategy was discussed as part of Ministerial and coalition consultation on the previous version of the work programme Cabinet paper [CAB-425], and an alternative approach is now proposed. The new approach is for the current strategy to be replaced by a higher-level document setting out the strategic direction for your waste portfolio.

4. We provide below some advice on the role of the strategy, the process for developing and adopting a revised strategy and the content of the revised strategy, including setting targets.

Statutory role of the waste strategy

5. Territorial authorities are required to have regard to the strategy when preparing, amending or revoking their waste management and minimisation plans (Waste Minimisation Act 2008 [WMA] section 44).

6. You can recommend the Governor-General makes an Order in Council to direct a territorial authority to change its waste management and minimisation plan if satisfied that the proposed changes will achieve or assist in achieving the waste strategy (WMA section 48).[1] This provision has been used to implement requirements for councils to collect standard materials in their kerbside dry recycling, food organics, or food organics and garden organics collections.

7. The WMA does not outline any requirements for central government relating to the waste strategy (such as a requirement for government to adopt or revise a plan or process requirements relating to the adoption of a strategy).

[1] You can also direct a territorial authority to amend its waste management and minimisation plan if satisfied that the plan is inadequate to promote effective and efficient waste management and minimisation within its district (ie, without reference to the strategy).

Process

8. The current strategy was released in March 2023. The Ministry for the Environment developed draft strategy proposals with help from waste experts from various community, local government and commercial organisations. A Māori roopu was also involved in initial discussions.

9. Public consultation took place from October to December 2021. Nearly 2,500 submissions were received from individuals, the waste sector, businesses and local government. Overall themes and messages from the consultation are summarised in appendix 2.

10. While the WMA does not outline a specific process for adopting a waste strategy, officials consider the decision to set aside the current strategy and adopt a new one without consultation will likely receive criticism. Local government may feel entitled to input on the new strategy, given that they are required to have regard to it in their waste management and minimisation plans.

11. An alternative approach could be to get Cabinet agreement to the proposed content of your new strategy but note that you intend to discuss it with the sector and seek their input before finalising it. This is the approach that Minister Watts took for his climate strategy [ECO-24-MIN-0097 refers].

12. This may go some way towards alleviating sector and local government concerns about a lack of input – which they have already raised with you in the context of the recent urgent amendments to the WMA [CORM-2781 refers].

Targets

13. The current strategy includes targets. Officials suggest targets would also be useful to include in a new strategy, having regard to:

    - measurability – ie, do we have data available to be able to report against the target

    - ambition and achievability – ie, we should be reasonably confident the target could be achieved if supporting actions are put in place.

14. You have the option of either retaining the targets in the current strategy or establishing new targets. An assessment of current strategy targets against these criteria is outlined in table 1.

Table 1: Assessment of current strategy targets		
Target – by 2030	***Preliminary analysis – measurability***	***Preliminary analysis – ambition and achievability***
waste generation: reduce the amount of material entering the waste management system, by 10 per cent per person	This target is intended to help measure actions higher up the waste hierarchy, such as redesign and reuse. Data gaps make it challenging to measure progress against this target.	We don't currently have the data to assess whether this target is achievable.
waste disposal: reduce the amount of material that needs final disposal, by 30 per cent per person	Data is available to measure against this target. The strategy does not specify a baseline year or which data sets would be included (eg, data from some or all landfill classes).	Recent trends from class 1 landfills do indicate a decline in per capita waste. The time series of data from other landfill classes is more limited so it is harder to determine trends.
waste emissions: reduce the biogenic methane emissions from waste, by at least 30 per cent	While we do have some data uncertainties and limitations, we have data available to measure progress against this target.	Current analysis of existing measures (ie, policies that are already in place) is that we will achieve a 14 per cent reduction in biogenic methane emissions from waste by 2030. Additional measures will be implemented as part of the second emissions reduction plan, but this target will likely remain challenging even with additional measures.

15. Alternative targets to be achieved by 2030 could include:

    - reduction of per capita waste disposal (to be measured using disposal to class 1 and class 2 facilities)
    - reduction in litter and unmanaged disposal (subject to further analysis of suitability of existing data sources – noting achieving a litter reduction target would likely require your legislative reform and proposed beverage container return scheme work to proceed)
    - reduction in biogenic methane emissions from waste (this is typically measured from a 2017 baseline for consistency with other climate reporting measures).

16. Officials propose to undertake additional analysis of these options over the next week, before finalising targets with you to include in your draft Cabinet paper when you undertake Ministerial and coalition party consultation. Work will consider proposed targets against the criteria mentioned above (measurability, achievability and ambition).

Other work programme components

17. The draft Cabinet paper outlines your proposed work programme. The components of the paper and the work plan in appendix 2 of the Cabinet paper have been discussed with you in a number of different briefing notes and weekly discussions.

18. To minimise need for additional Cabinet papers, the Cabinet paper also seeks decisions on some components of the work programme:

- matters relating to the phase-out of certain hard-to-recycle and single-use plastic products
- rescinding various mandatory provisions related to kerbside recycling agreed by the previous Government.

19. Relevant advice relating to these decisions has been provided in several briefing notes, weekly updates, and discussions with you. This advice is summarised in table 2.

Table 2: Advice provided on plastics phase-outs and kerbside recycling		
Topic	***Advice provided***	***Summary of decision/next steps***
Plastics phase-outs	BRF-4364 – Next steps for hard-to-recycle and single-use plastics phase outs	Extend the timeline for implementation, as proposed in the draft Cabinet paper, and develop further advice on technical aspects of the tranche 3 plastics phase-outs
	BRF-5097 – Options for addressing stakeholder concerns around requirements for produce labels from 1 July 2025	Extend transitional period for all produce labels to be fully home compostable to 1 July 2028, as proposed in the draft Cabinet paper
Kerbside recycling	Environment weekly update – week beginning 5 August 2024 and discussion at weekly meeting on 6 August 2024	Rescind decisions relating to kerbside recycling made by Cabinet in November 2022 that haven't yet been implemented. Instead, support improved kerbside recycling through council investment packages in the Waste Minimisation Fund; working with the industry, including through the Recycling Leadership Forum to identify solutions to increase the range of materials collected and recycled; and investment into recycling systems and infrastructure through the Waste Minimisation Fund.
	BRF-4189 – Policy options for provision of household kerbside recycling and food scraps services	This briefing note provided an overview of the five kerbside policies to improve household recycling that were agreed by Cabinet in November 2022. The specific advice in the briefing has been further refined, in discussion with you (as outlined above), and is now reflected in the draft Cabinet paper (appendix 1 to this cover briefing).

20. The draft Cabinet paper is also seeking a decision to rescind kerbside recycling decisions related to diversion targets and record-keeping and reporting requirements. Data and systems are not in place yet to fully support these policies at this time. Continuing to build better legislation, evidence and systems (including data gathered through new requirements for record-keeping and reporting by territorial authorities) will support more effective implementation at a future date. We can provide you with further advice on these topics as required.

21. In relation to the decision on produce labels, in accordance with WMA section 23(3), before recommending the Governor-General makes (or alters existing) regulations by Order in Council, you are required to:

    i obtain and consider the advice of the Waste Advisory Board – this step is currently underway, and we will provide further information once the Waste Advisory Board has provided its feedback

    ii be satisfied that:

        i. there has been adequate consultation with persons or organisations who may be significantly affected by the regulations. Public consultation took place in 2020. The proposed changes to produce label requirements currently in regulation have been discussed with affected stakeholders, as outlined in BRF-5097

        ii. the benefits expected from implementing the regulations exceed the costs expected from implementing the regulations. Costs and benefits of the plastic phase-outs, including produce labels, were considered when Cabinet made its initial decisions, and are summarised in the associated regulatory impact statement.[2] Officials consider the proposal to provide additional transition time for produce labels to meet the requirements will reduce the implementation costs for the sector in the short-term, and will delay full realisation of the benefits of the proposal but does not fundamentally change the overall assessment. The Ministry for Regulation has determined that this proposal is exempt from the requirement to provide a Regulatory Impact Statement on the grounds that it has no or only minor impacts on businesses, individuals, and not-for-profit entities

        iii. the regulations are consistent with New Zealand's international obligations. Officials advise there are no trade law issues with the proposed amendment to the timeframes for produce labels because the existing regulations have not yet been implemented (the current date the requirement would take effect is 1 July 2025).

Te Tiriti analysis

22. No Te Tiriti analysis has been carried out in relation to the proposals in this briefing note.

[2] Regulatory impact statement: phasing out specific hard-to-recycle plastics and single-use plastic items.

Other considerations

Consultation and engagement

23. As outlined above, no consultation has taken place on the revised waste strategy. Officials consider this approach is likely to attract criticism from the sector.

Risks and mitigations

24. The main risk associated with this advice relates to lack of consultation on the new strategy, as outlined in paragraphs 10 to 12 above.

[*Legally privileged*]: Legal issues

9(2)(h)

[redacted]

Financial, regulatory and legislative implications

27. As outlined in the draft Cabinet paper, the draft work plan has been developed with consideration of the need for fiscal restraint in delivery of your work programme.

Next steps

28. The indicative timeline for this paper is outlined in table 3.

Table 3: Indicative timeline for progressing CAB-483	
Step	***Indicative timing***
Draft to Minister's office	17/09/2024
Agency consultation on draft paper	17/09/2024 to 23/09/2024
Date by which WAB advice will be received on produce label phase-out	27/09/2024 (proposed)

[3] See section 48 of the Legislation Act 2019.

Minister’s office to undertake informal discussions on draft Cabinet paper. Ministry officials to meet with PM’s Chief Advisor.	Week of 23/09/2024
Feedback and additional information incorporated	By ~30/09/2024
Ministerial and coalition partner consultation	If allowing 1 week (recommended) – 02/10/2024 to 08/10/2024
Paper finalised for lodging	9/10/2024
Date paper needs to be lodged for Cabinet Economic Policy Committee (ECO)	10/10/2024
Date of ECO meeting	16/10/2024
Cabinet meeting	21/10/2024

29. After Cabinet has considered your paper, officials can work with your office on finalising the publication of the new strategy and a communications plan for the new strategy and work plan.

Appendix two: Key themes from public consultation on the waste strategy in 2021

Table 1: Key themes from public consultation on the waste strategy in 2021

Theme	***Description***
Strong support for changing how New Zealand manages waste and moving towards a circular economy	Most submitters emphasised the need to transform the way New Zealand approaches its waste, including strong support for moving towards a circular economy. Overall, ninety-five per cent of those who responded to the question agreed that changes are needed to how New Zealand manages its waste, and ninety per cent supported a move to a circular economy. Many submitters wanted to achieve a circular economy within a faster timeframe than 2050. Some submitters called for a new, independent circular economy agency to be established to lead delivery of circular economy programmes not just for waste issues. To achieve a circular economy, many submitters suggested explicit use of the waste hierarchy to guide decision-making and prioritisation.
Calls for a greater focus on the generation of waste and moving to the top part of the waste hierarchy	Some submitters wanted a greater focus on reducing the generation of waste and designing-out waste. Many submitters suggested improving the regulatory tools available to deliver outcomes at the top of the waste hierarchy, such as product stewardship and other product controls, and using these tools in a planned and coordinated way to regulate products or material streams. Economic levers and investment were also identified as important. There was a desire to see local and central government investment focused on initiatives at the top of the waste hierarchy.
A call to work closely with industry	Many industry and business submissions suggested that there would be benefits in the Government working more closely with industry to support system changes, particularly where different solutions would be necessary for different sectors. Clear roadmaps were seen as important to provide clarity about where industry investment and development should be directed.
Importance of a genuine partnership between the Crown and Māori	Submitters identified the importance of a genuine partnership approach between the Crown and iwi Māori. Māori submitters asserted that a partnership approach was more than consultation and that it involved supporting Māori to influence decision-making and to scale up Māori-led initiatives. There was significant comment on the absence of explicit Te Tiriti o Waitangi or mātauranga Māori discussion in the consultation document, particularly in relation to the strategy process, the vision and the principles.
An emphasis on behaviour change,	Many submitters stressed the importance of education and behaviour change campaigns to support and embed culture change at an individual level – so that the way we all approach a

education and equitable solutions	move to a circular economy becomes a normal way of life. Related to this was a desire to see solutions that are equitable and fair, with people being supported at a local level through good resources and helpful strategies.

Ministry for the Environment
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Document 4

Next steps for hard-to-recycle and single-use plastics phase outs

Date submitted: 28 March 2024
Tracking number: BRF-4364
Security level: CLASSIFICATION
MfE priority: Low

Actions sought from Ministers		
Name and position	***Action sought***	***Response by***
To Hon Penny SIMMONDS **Minister for the Environment**	Review and agree to one option for phasing out hard-to-recycle and single-use plastics, and sign.	29 April 2024
CC Hon Chris BISHOP **Minister for RMA Reform**		

Actions for Minister's office staff
Copy this briefing to the Minister for RMA Reform **Return** the signed briefing to the Ministry for the Environment.

Appendices and attachments

1. Appendix 1: Details of extensions and exemptions requested by stakeholders, and other technical issues
2. Appendix 2: Full analysis of recommendations for next steps for Tranche 3 phase outs
3. Appendix 3: Cabinet paper (2021): Proposals for phase-outs of certain hard-to-recycle plastics and single-use items
4. Appendix 4: Regulatory Impact Statement: Phasing out specific hard-to-recycle plastics and single-use plastic items

Key contacts at Ministry for the Environment			
Position	***Name***	***Cell phone***	***First contact***
Principal Author	Whitney Nelson		
Responsible Manager	Daisy Croft	s 9(2)(a) [redacted]	
General Manager	Shaun Lewis	s 9(2)(a) [redacted]	✓

Minister's comments

Next steps for hard-to-recycle and single-use plastics phase outs

Key messages

1. The purpose of this briefing is to seek your decision on next steps on phasing out single-use and hard-to-recycle plastics.

2. In June 2021, Cabinet agreed to phase out certain hard-to-recycle and single-use plastic products in three tranches (refer Appendix 3). Regulations for Tranches 1 and 2 are already in force, including extensions and exemptions for some items.

3. The scope of the proposed Tranche 3 includes all other food and beverage packaging made from polyvinyl chloride (PVC) and polystyrene (PS) that were not captured in Tranche 1 and would commence from July 2025. Regulations would need to be developed to progress and implement Tranche 3.

4. The bans align with February 2024 changes implemented for nationwide standardised kerbside recycling, with PVC or PS packaging no longer accepted at kerbside given these plastic types are typically not recycled in New Zealand and contaminate our recycling streams. The changes are also well-aligned with global movements.

5. Key affected stakeholders are aware and broadly supportive of the proposed Tranche 3 bans. Industry and businesses have invested in research into alternative materials and the operational changes required to comply with Tranche 3 regulations.

6. You have the following options:

    a. Continue Tranche 3 and direct officials to provide advice on the technical aspects of the regulations, prior to seeking policy decisions from Cabinet. Regulations would come into force mid-2025 in line with the 2021 Cabinet decision.

    b. **Recommended:** Continue Tranche 3 and direct officials to provide advice on the technical aspects of the regulations, prior to seeking policy decisions from Cabinet. Regulations would come into force mid-2026 or at a later date of your choosing.

    c. Discontinue Tranche 3 and direct officials to prepare a Cabinet paper to rescind the previous Cabinet’s decisions to develop Tranche 3 regulations.

7. This briefing also provides you with an update on industry progress towards implementing certain aspects of Tranche 2 regulations (*Waste Minimisation (Plastic and Related Products) Regulations 2022)* relating to produce labels and integrated straws that are yet to come into force.

Recommendations

We recommend that you:

a. **note** that in June 2021, Cabinet agreed to phase out certain hard-to-recycle and six single-use plastic products in three tranches and that Tranche 1 and 2 regulations were implemented in October 2022 and July 2023 respectively

b. **note** that Tranche 3 would phase out all other food and beverage packaging made from PVC and PS not already captured in Tranche 1

c. **note** that the proposed changes are well aligned with the February 2024 changes implemented to nationwide kerbside standardisation, and there is broad stakeholder support for proceeding with Tranche 3 regulations

d. **note** you may wish to meet with key stakeholders who are preparing for Tranche 3 to understand industry readiness, challenges and progress before making a decision on the options below

e. **agree to** one of the following options:

either Option A – Continue Tranche 3 and direct officials to provide advice on the technical aspects of the regulations (ie, HIPS and flexible PVC wrap) in June 2024, prior to seeking policy decisions from Cabinet. Regulations would come into force mid-2025 in line with the 2021 Cabinet decision. This option would include a number of extensions and exemptions for workability, although may still be challenging for affected stakeholders to implement due to a short implementation window.

Yes | No

or Option B **(recommended)** – Continue Tranche 3 and direct officials to provide advice on the technical aspects of the regulations (ie, HIPS and flexible PVC wrap) in June 2024, prior to seeking policy decisions from Cabinet. Regulations would come into force mid-2026 or at a later date of your choosing. This would provide a longer implementation window in line with requests from key stakeholders and would also require fewer extensions and exemptions.

Yes | No

or Option C – Discontinue Tranche 3 and direct officials to prepare a Cabinet paper to rescind the previous Cabinet's decisions to develop Tranche 3 regulations.

Yes | No

f. **note** that on 1 July 2023, the Waste Minimisation (Plastic and Related Products) Amendment Regulations 2022 came into force. There are three specific aspects of these already-gazetted regulations (relating to produce labels and integrated straws) which are yet to come into force, and officials will continue engagement with affected stakeholders to understand their progress towards these aspects.

Signatures

Shaun Lewis
General Manager – Waste Systems
Climate Change Mitigation and Resource Efficiency

Date: 27 March 2024

Hon Penny SIMMONDS
Minister for the Environment

Date

Next steps for hard-to-recycle and single-use plastics phase outs

Purpose

1. The purpose of this briefing is to provide an update on phasing out hard-to-recycle and single-use plastics, and to seek your decision on next steps.

Background

New Zealand is one of the highest generators of waste per person in the world

2. New Zealanders generate an estimated 17.49 million tonnes of waste per year, of which an estimated 12.59 million tonnes are sent to landfill. Contributing to this waste are many plastic products that are used once or a limited number of times and then disposed of or littered through the environment. The buildup of plastic in the environment is among the top 10 concerns for New Zealanders, alongside cost of living.[1]

3. In 2019, the Office of the Prime Minister's Chief Science Advisor released *Rethinking Plastics.*[2] This report encouraged the country to treat plastic as a valuable resource that is reused and repaired as part of a circular economy.

4. Following the *Rethinking Plastics* report, the Ministry for the Environment (the Ministry), consulted on proposals to ban several hard-to-recycle and seven single-use plastic products. We received close to 8000 submissions, with 97 per cent of submitters in support for the proposals.

5. Following consultation, Cabinet agreed in June 2021 to phase out certain hard-to-recycle and six single-use plastic products in three tranches, ensuring adequate lead in time for harder to replace products (refer Appendix 3).

6. The Waste Minimisation (Plastic and Related Products) Regulations 2022 (Tranche 1) and Waste Minimisation (Plastic and Related Products) Amendment Regulations 2022 (Tranche 2) regulations are in force, with Tranche 2 including extensions for plastic produce labels and integrated drinking straws. [3]

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[1] Better Futures Report 2022 (www.kantarnewzealand.com/better-futures-2023/)

[2] Rethinking Plastics in Aotearoa New Zealand 2019, Office of the Prime Minister's Chief Science Advisor

[3] **Tranche 1** (The Waste Minimisation (Plastic and Related Products) Regulations 2022) came into force on 1 October 2022. Tranche 1 included bans on single-use plastic drink stirrers (all plastic types), single-use plastic cotton buds (all plastic types), plastics with pro-degradant additives (subset of plastic type 7), certain PVC (plastic type 3) food trays and containers, and certain polystyrene and expanded polystyrene food and drink packaging (plastic type 6).
Tranche 2 (The Waste Minimisation (Plastic and Related Products) Amendment Regulations 2022) came into force on 1 July 2023. Tranche 2 included bans on single-use plastic tableware, cutlery, straws, and produce bags for fruit and vegetables were banned, and produce labels started to transition toward fully home compostable by mid-2025. Labels on domestic fruits and vegetables are exempt from the requirement to be fully home compostable until 1 July 2025, and integrated drinking straws are exempt from the ban until 1 January 2026.

Tranche 3 is the last stage of the phase outs and would ban all other food and beverage packaging made from polyvinyl chloride (PVC) and polystyrene (PS) not already captured in Tranche 1

7. PVC and PS packaging were proposed to be phased out in a staged approach between Tranche 1 and 3, starting with products where alternatives were readily available (Tranche 1 products: PVC food trays and containers, PS takeaway packaging and all expanded polystyrene (EPS) food and beverage packaging) and allowing time for businesses to prepare for more challenging PVC and PS products.

8. Officials have developed the following non-exhaustive list of examples of items that are currently within scope of Tranche 3. Subject to your direction on next steps, officials would recommend further refining this scope based on feedback from key affected stakeholders to-date:

   - High impact polystyrene (HIPS) containers for chilled and frozen food (eg, yoghurt pottles, frozen prawns)
   - Flexible or soft PVC film/wrap (eg, for meats and cheese)
   - PVC sleeves (such as on beverage bottles)
   - PVC & PS trays (eg, for biscuits, crackers, and chocolates)
   - PVC food containers (either with a lid or without a lid)
   - Rigid PS containers (either with a lid or without a lid) (eg, sushi trays)
   - Multi-layer plastics including PVC, PVDC or PS (eg. barrier bags for meat products)

9. It is difficult to quantify the exact number of individual products that are affected by Tranche 3, however we are developing a clearer picture through engaging with affected stakeholders. For example, supermarkets have indicated they have approximately three dairy products packaged in HIPS and multiple meat products packaged in flexible PVC wrap in scope of the proposed Tranche 3 bans. If PVDC is in scope, this number would increase to include imported meat products.

Analysis and advice

Tranche 3 regulations are well-aligned with recent domestic policy changes and have broad stakeholder support

10. PVC and PS are hard-to-recycle and have a disproportionately large impact on New Zealand’s recycling system and environment because they contaminate the recycling of higher value plastics (for example, polyethylene terephthalate (PET)).

11. Plastic types 3 (PVC), 6 (PS) and 4 (low-density polyethylene (LDPE)) are now no longer accepted in kerbside recycling [BRF 3936 refers].

12. The majority of materials collected through the kerbside system are food and beverage packaging and the Tranche 3 bans would significantly reduce the risk of PVC and PS contamination in kerbside recycling. The bans are also aligned to other domestic waste policy.[4]

13. Since Cabinet's decision in 2021, Ministry officials have been engaging with key affected stakeholders including packaging manufacturers, importers, industry bodies, supermarkets, and businesses. These stakeholders are broadly supportive of the Tranche 3 bans.

14. Many businesses are already in the process of trialling or implementing a transition to alternative materials. Regulations would ensure a level playing field for all businesses that manufacture or sell PVC and PS food and beverage packaging.

Tranche 3 regulations would also support Trans-Tasman and international initiatives

15. New Zealand works closely with Australian jurisdictions to align our hard-to-recycle and single-use plastics bans. Representatives from Australian jurisdictions have shared with Ministry officials that the Australian National Environmental Protection (Used Packaging Materials) Measure 2011 (NEPM) is being reformed to include new packaging regulations and that these regulations could involve mandating against PVC and PS food and beverage packaging (to be in place by the end of 2025).

16. New Zealand has also been actively participating in negotiations towards an international legally binding agreement to end plastic pollution. On 18 March, you received advice on preparation for the fourth round of negotiations, including updating the negotiating mandate [BRF-4294 refers]. Countries are negotiating on measures to address problematic, avoidable and single-use plastic products, as well as particular polymers of concern. Certain polymer types, such as PVC, could be targeted for global phase out. New Zealand's domestic policy work to phase out single-use and hard-to-recycle plastics, including Tranche 3, would position us well in this aspect of the negotiations.

17. New Zealand is also involved in national and international initiatives focused on eliminating hard-to-recycle and single-use plastics, improving recycling recovery rates and moving to a circular economy. Some of these initiatives include the Ministry-led New Zealand Plastic Packaging Declaration (NZPPD) and our membership of the Ellen MacArthur Foundation New Plastics Economy Global Commitment.

[4] The Ministry's Regulated Product Stewardship (RPS) scheme identifies plastic packaging as one of the six priority products under the Waste Minimisation Act (WMA). Eliminating hard-to-recycle plastic types from the system will support the work of the RPS scheme.

The Ministry's Plastics Innovation Fund (PIF) and the Waste Minimisation Fund (WMF) provide multiple investment opportunities and have enabled policy outcomes that have delivered significant benefits aligned with domestic plastics policy initiatives. We know of one application to PIF that is supporting PS food packaging phase outs.

Feedback from industry and businesses

18. Ministry engagement with key affected stakeholders has provided information about how they are tracking towards the previously signalled mid-2025 Tranche 3 phase out date.

19. The overall request Ministry officials have heard from stakeholders is for final regulations to be in place soon, with a long lead-in time to provide a sufficient window for businesses to make the necessary operational changes and run-down existing stock.

20. Stakeholders have requested an extended transition period for high impact polystyrene (HIPS) of an additional 12-month period (ie, until mid-2026) [5] and either an extension or exemption for flexible PVC wrap used for meat products (see Appendix 1 for details).

21. If you choose to proceed with Tranche 3, officials will provide advice on the key technical matters in a Cabinet paper, along with seeking delegated decision-making powers from Cabinet to enable you to make minor and technical decisions relating to the regulations.

You have three options for progressing hard-to-recycle and single-use plastic phase outs

Option A – Continue Tranche 3 and direct officials to provide advice on the technical aspects of the regulations (ie, HIPS and flexible PVC wrap), prior to seeking policy decisions from Cabinet. Regulations would come into force mid-2025 in line with the 2021 Cabinet decision. This option would include a number of extensions and exemptions for workability, although may still be challenging for affected stakeholders to implement due to a short implementation window.

Option B (recommended) – Continue Tranche 3 and direct officials to provide advice on the technical aspects of the regulations (ie, HIPS and flexible PVC wrap), prior to seeking policy decisions from Cabinet. Regulations would come into force mid-2026 or at a later date of your choosing. This would provide a longer implementation window in line with requests from key stakeholders and would also require fewer extensions and exemptions.

Option C – Discontinue Tranche 3 and direct officials to prepare a Cabinet paper to rescind the previous Cabinet's decisions to develop Tranche 3 regulations.

22. Refer to Appendix 2 for a complete options analysis.

23. We have recommended the continuation of Tranche 3 through Option B. Tranche 3 regulations are well aligned with recent domestic policy changes and support Trans-Tasman and global initiatives. We have broad support from key stakeholders and businesses have been working towards these bans since they were signalled in 2021.

24. Based on stakeholder feedback to-date, Option B would provide likely require fewer extensions and exemptions giving additional time for affected stakeholders and businesses to prepare. Option B would also provide more time to develop regulations,

[5] HIPS is a subset of PS. These plastics have been modified with the addition of rubber to make them more impact resistant.

ensuring time for a robust targeted exposure draft process to ensure regulation are easy to understand and workable.

You could meet with key stakeholders to hear their views on Tranche 3 before making a decision

25. We have been meeting with a wide range of affected stakeholders to inform policy development, and you could engage with key stakeholders to hear their views directly on Tranche 3, for example:

    - **Plastics New Zealand**: an industry association representing plastics companies across New Zealand.
    - **Fonterra, Goodman Fielder** and **Simplot:** to understand the challenges and progress towards replacing HIPS material for pots and tubs containing products including yoghurt, cottage cheese, sour cream and tomato paste.
    - **Countdown, Foodstuffs, High Tech Packaging,** and **Retail NZ:** to understand the technical challenges of replacing PVC flexible cling wrap, in particular for meat products.

Te Tiriti analysis

26. The continuation of phasing out hard-to-recycle and single-use plastics will contribute to reduced environmental degradation which impacts on customary practises (refer Appendix 4).

Other considerations

Risks and mitigations

27. A key risk to consider, if your decision is to continue Tranche 3, is ensuring there is adequate time for regulations development and a 12 month implementation window as requested by stakeholders. These risks underpin our recommendation to progress Option B.

28. Refer to Appendix 2 for full options analysis, including risks for each option.

Legal issues

29. No legal issues are associated with the proposals in this briefing.

Financial, regulatory and legislative implications

30. If you choose Options A or B, Officials would provide further advice on technical aspects of the regulations, develop a Cabinet paper and Regulatory Impact Statement, and then develop regulations under section 23(1)(b) of the Waste Minimisation Act to ban all other

PVC and PS food and beverage packaging (including any required extensions and exemptions).[6]

31. No legislative implications are associated with the proposals in this briefing.

Update on Tranche 2

The Tranche 2 regulations have been in force since July 2023 and included extensions for plastic produce labels and integrated drinking straws.

32. As of 1 July 2023, Tranche 2 has been in force and banned single-use plastic produce bags, straws, produce labels, and tableware (eg, plates, bowls and cutlery).

33. From 1 July 2023, labels on domestic fruit and vegetables were required to be certified home compostable, except for their adhesive. Industry is working toward a fully home compostable label adhesive and have assured us it will be ready by July 2025. From 1 July 2025, the entire label including the adhesive will need to be fully home compostable. Plastic produce labels that are used, or intended for use, on imported fruit and vegetable are exempt from the regulations until 1 July 2025.

34. Plastic drinking straws that form an integrated part of a products packaging (such as straws on juice boxes) have been exempt from the ban until 1 January 2026. This was to allow industry time to find a suitable alternative.

35. Officials are continuing engagement with key domestic stakeholders to understand progress regarding produce labels and integral drinking straws towards the respective July 2025 and January 2026 bans. We will keep you updated on these matters.

Next steps

36. Subject to your selected option, Officials will progress preparing advice on technical aspects of the regulations (including advice on an extension for HIPS and an extension or exemption for flexible PVC for meat products) in June 2024 and subsequently prepare a Cabinet paper seeking policy decisions.

37. If you agree to meet with key stakeholders, officials will work with your office to arrange meetings.

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[6] Waste Minimisation Act 2008, Section 23 (1): *The Governor-General may, by Order in Council made on the recommendation of the Minister, make regulations for 1 or more of the following purposes:* (b): *controlling or prohibiting the manufacture or sale of products that contain specified materials.*

Appendix 1: Details of extensions and exemptions requested by stakeholders, and other technical issues

Stakeholders have asked for an extended transition period (or extension) for high impact polystyrene (HIPS) [7]

Industry is moving away from HIPS packaging and replacing this with recyclable alternatives in most cases (for example, polyethylene terephthalate (PET)). However, there are a few challenges that remain in particular for HIPS used for chilled food such as yoghurt pottles (as noted within Appendix 4). Companies need to invest in product trials, development and upgrades or replacements to machinery for implementing alternative packaging materials.

Multiple stakeholders have requested that the regulations are finalised before they make such investments and that the regulations also provide for an additional 12-month period (ie, until mid-2026) to allow sufficient time to comply.

Stakeholders have asked for either an extension or exemption for PVC used for meat products

Flexible (soft) PVC cling wrap is commonly used in meat packaging as it has unique properties enabling it to stick to itself and allowing oxygen to pass through, which improves shelf-life and maintains food quality. Some businesses are trialling polyethylene (PE) wrap as an alternative for meat packaging, however we understand PE does not allow a good flow of oxygen causing condensation issues and reduced shelf life.

Multiple stakeholders have requested an extension to the mid-2025 timeframe to allow more time for trialling and implementing an alternative material. Some stakeholders have asked for PVC for meat products to be exempt from the bans, as they are concerned about the inability to find suitable alternatives.

Other technical issues

- Medicine is not intended to be in scope for Tranche 3 regulations and we would seek to make this clear in the regulations.
- Polyvinylidene chloride (PVDC) coated films are used in a variety of products including as barrier bags that are shrunk around meat. PVDC is tougher and has a much higher gas barrier than PVC. Although it was included in the Tranche 1 bans on PVC meat and food trays, we have heard from stakeholders that including PVDC in Tranche 3 would be technically challenging and difficult to regulate given that many imported and exported products (particularly meat products) have PVDC packaging.
- Small products may require an exemption given that, regardless of their material, New Zealand recycling centres cannot process plastics under 50mm at their widest point (for example, PVC single portioned butter dishes).

[7] HIPS is a subset of PS. These plastics have been modified with the addition of rubber to make them more impact resistant.

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Appendix 2: Full analysis of recommendations for next steps for Tranche 3 phase outs.

Recommendations	Description	Opportunities	Risks
Option A – Continue Tranche 3 and direct officials to provide advice on the technical aspects of the regulations (ie, HIPS and flexible PVC wrap), prior to seeking policy decisions from Cabinet. Regulations would come into force mid-2025 in line with the 2021 Cabinet decision.	Direct officials to prepare a Cabinet paper seeking agreement to developing regulations to phase out all other PVC and PS food and beverage packaging (Tranche 3), with regulations to come into force mid-2025 in line with the 2021 Cabinet decision.	Key affected stakeholders are aware and supportive of the proposed Tranche 3 bans. Industry and businesses have invested in research into alternative materials and the operational changes required to comply with Tranche 3 regulations. Key stakeholders we have engaged with are all either: • in the process of trialling alternative materials, • have found an alternative material and planning for machinery and new equipment to implement the change, • or have already made the shift to alternative materials.	There will be challenges to meet the mid-2025 commencement date. Following a Cabinet process and regulations development, regulations would likely be published in late 2024. This would only provide a six-month window for implementation, being the minimum requirement under the World Trade Organisation Agreement on Technical Barriers to Trade.[8] Stakeholders have indicated a strong preference for having 12 months between regulations being published and coming into force. Additionally, this option would mean regulations would need to be developed faster, limiting our ability to engage effectively with stakeholders and integrate changes to draft regulations as required.

[8] The World Trade Organisation (WTO) Agreement on Technical Barriers to Trade (the TBT agreement) is binding to all members of the WTO, including New Zealand. The TBT agreement sets obligations for preparing and applying regulatory measures that affect trade in goods, including a 'reasonable interval' between publication and the regulations coming into force. This is interpreted as a period of six months or more, except when this would be ineffective in fulfilling the legitimate objective of the regulations.

		Tranche 3 regulations are well aligned with already implemented kerbside changes, which have stopped the kerbside collection of PVC and PS.	As noted, a mid-2025 in force date would also require a number of extensions and exemptions to ensure workability of regulations (such as an extended period for HIPS and PVC meat wrap). This will make the regulations more complex for businesses to understand and comply with. We know of one application to Plastic Innovation Fund (PIF) to support the funding of PS food packaging phase outs. If the fund does not reopen, this business could be seen to have an unfair competitive advantage as this support would not be available to other businesses.
Option B (recommended) – Continue Tranche 3 and direct officials to provide advice on the technical aspects of the regulations (ie, HIPS and flexible PVC wrap), prior to seeking policy decisions from Cabinet. Regulations would come into force mid-2026 or at a later date of your choosing.	Direct officials to prepare a Cabinet paper seeking agreement to developing regulations to phase out all other PVC and PS food and beverage packaging (Tranche 3), with regulations to come into force mid-2026 (or at a later date of your choosing) to allow for a longer implementation period as requested by key affected stakeholders. This option also provides flexibility that you may consider a later in force date for the regulations.	In addition to the opportunities listed in Option A, Option B allows for a robust targeted exposure draft process to ensure the regulations are easy to understand and workable. Based on stakeholder feedback, Option B would require fewer extensions or exemptions than Option A due to the longer implementation window (approximately 18 months compared with 6 months in Option A). This would make the regulations simpler and easier to comply with.	There may still be extensions and exemptions required for some products. There is the same risk as in Option A relating to the PIF. If the fund does not reopen, the business who already has their application to PIF could be seen to have an unfair competitive advantage.

Option C – Discontinue Tranche 3 and direct officials to prepare a Cabinet paper to rescind the previous Cabinet's decisions to develop Tranche 3 regulations.	Direct officials to prepare a Cabinet paper seeking to rescind the previous Cabinet's decisions on Tranche 3. Under Option C, you may consider seeking further advice form officials on other opportunities for product bans.	This provides the opportunity to consider changes to the Waste Minimisation Act prior to making new regulations. This could include the development of a greater suite of product regulation tools. Stakeholders who have not yet begun the transition away from PS and PVC packaging would not need to make any new investments. Option C may better align New Zealand with Australia phase outs. No Australian jurisdiction has banned all PVC or PS packaging yet. However, hard-to-recycle plastics considered in the current NEPM reform could involve mandating against PVC and PS food and beverage packaging in Australia. Not progressing Tranche 3 at this stage would provide opportunity to learn from other countries with similar product bans. Currently, there are few examples of PVC and PS food and beverage bans globally including South Korea and Taiwan.[9]	Some stakeholders have already made significant investments towards compliance for Tranche 3. Regulations would have an important role in levelling the playing field for these stakeholders who are already working towards the bans. There is a risk for inconsistency with already implemented kerbside collection changes, with PVC and PS no longer being collected at kerbside.

[9] In September 2020, South Korea banned the manufacturing and sale of PVC food and beverage packaging material, with some exemptions for where there are no alternatives. Similarly, in July 2023, Taiwan banned food packaging made of or containing any PVC.

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Document 5

Briefing: Options for addressing stakeholder concerns around requirements for produce labels from 1 July 2025

Date submitted: 14 August 2024
Tracking number: BRF-5097
Sub Security level: CLASSIFICATION
MfE priority: Medium

Actions sought from Ministers		
Name and position	***Action sought***	***Response by***
To Hon Penny SIMMONDS **Minister for the Environment**	**Recommend** you agree to discuss the options for addressing stakeholder concerns around requirements for produce labels.	23 August 2024

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: Multi criteria analysis for addressing stakeholder concerns Attachment 1: Waste Minimisation (Plastic and Related Products) Regulations 2022 Attachment 2: Cabinet paper (2021): Proposals for phase-outs of certain hard-to-recycle plastics and single-use items Attachment 3: Regulatory Impact Statement: Phasing out specific hard-to-recycle plastics and single-use plastic items

Key contacts at Ministry for the Environment			
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Principal Author	Beth Sanderson		
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Minister's comments

Options for addressing stakeholder concerns about requirements for produce labels from 1 July 2025

Key messages

1. The purpose of this briefing is to provide you with options for addressing stakeholder concerns regarding the Waste Minimisation (Plastic and Related Products) Regulations 2022 (the regulations)[1] as they relate to requirements for produce labels sold in New Zealand.

2. The regulations, at Attachment 1, as they relate to produce labels, are based on a two phased approach:

- **Phase 1 (came into force on 1 July 2023):** Labels on produce grown domestically must be certified home compostable, except for the adhesive. Labels on imported produce (fresh fruit and vegetables) sold in New Zealand are subject to a transitional period, so no change required until 1 July 2025.
- **Phase 2 (due to come into force on 1 July 2025):** Both the label and the adhesive on domestic and imported produce sold in New Zealand[2] must be certified home compostable.

3. With Phase 2 coming into force on 1 July 2025, officials have engaged with affected stakeholders to understand their preparedness for the upcoming requirements. This engagement has highlighted some concerns, particularly relating to imported produce sold in New Zealand, that require your attention.

4. The domestic phase-in period was based on industry feedback for the development of a home compostable adhesive. The transitional period for imported produce sold in New Zealand was to allow time for a global shift towards the use of home compostable produce labels. This was based on information during policy development, specifically relating to regulations in France and Flanders (Belgium).

5. A fully home compostable label is looking achievable domestically by July 2025, however the transition to home compostable labels internationally has been slower than anticipated. France is not currently enforcing their regulations, and Flanders (Belgium) amended their regulations to be more permissive. Therefore, recently, many stakeholders have raised concerns about the July 2025 requirement for imported produce sold in New Zealand. Currently, no trading partner will have similar regulations in place by July 2025. New Zealand is a small market, and it is unlikely

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[1] The regulations banned a number of single-use plastic items that are commonly littered in the environment or result in contamination of recycling streams in New Zealand. The regulations came into effect on 1 July 2023 and is made under s 23(1)(b) of the Waste Minimisation Act 2008.

[2] NB: The regulations do not technically regulate imports or exports; but they do regulate what is sold or manufactured in New Zealand. Therefore, any produce imported into New Zealand with the intention of being sold will need to be compliant by the date specified.

that international packhouses will adopt special labels for New Zealand, either due to cost or operational reasons.

6. We have identified four options for your consideration, summarised in Table 1.

Table 1: Options for addressing stakeholder concerns around produce label requirements

Option	Impacts
Option 1 Status quo – no change to the existing regulations. Transitional period for labels on domestic and imported produce ends on 1 July 2025.	While this option will reduce contamination of organics sooner than the other options, it would not address the trade concerns outlined above, particularly for importers.
Option 2 Extend the transitional period for imported produce sold in New Zealand to 1 July 2028.	Domestic produce labels would still be required to be fully home compostable, including the adhesive, by 1 July 2025. This option would align more closely with major regions, such as the EU, thereby reducing risks raised by stakeholders. There is a risk that domestic producers would see this option as an unfair advantage for importers.
Option 3 Extend the transitional period for all produce sold in New Zealand to 1 July 2028.	This option may be fairer for domestic producers than Option 2. However, it may be unnecessary to allow for three more years to complete the domestic transition to a fully home compostable label.
Option 4 Repeal all produce label requirements, including the 2023 and 2025 requirements.	This option would resolve concerns associated with complying with the 1 July 2025 requirements. However, this option would increase contamination of organics. We have not tested this option with stakeholders, and we expect this option may not be well-received given the efforts and investments to comply with the regulations. Importantly, this option is likely to be non-compliant with New Zealand's free trade obligations.

7. Option 2 is likely to be the most pragmatic in terms of meeting all policy objectives, allowing for the domestic transition to fully home compostable labels to be complete by mid-2025, while also addressing stakeholder feedback about the need to better align with international markets.

Recommendations

We recommend that you:

a. **Note** that the Waste Minimisation (Plastic and Related Products) Regulations 2022 came into force on 1 July 2023, beginning the transition towards home compostable labels domestically, with a transitional period for (a) imported produce sold in New Zealand and (b) for the adhesive on domestic produce

b. **Note** officials have heard concerns from both domestic and international businesses and industry bodies regarding the 1 July 2025 requirements, including that the international transition to compostable labels has been slower than anticipated

c. **Note** you have the following options, and that Option 2 is likely to be the most pragmatic option for addressing stakeholder concerns:

Either Option 1 – Status quo: No change to the existing regulations which require all produce labels (domestic and imported) sold in New Zealand to be fully home compostable by 1 July 2025

Or Option 2 – Direct officials to prepare a Cabinet paper proposing to extend the transitional period for imported produce to 1 July 2028. Domestic produce labels would still need to be fully home compostable by 1 July 2025 but imported produce sold in New Zealand would have an extension until 2028, aligned with the EU approach

Or Option 3 – Direct officials to prepare a Cabinet paper proposing to extend the transitional period for all produce sold in New Zealand to 1 July 2028 – both domestic and imported produce

Or Option 4 – Direct officials to prepare a Cabinet paper proposing to repeal all produce label requirements, including the 2023 and 2025 requirements

d. **Discuss** with officials your preferred approach Yes | No

e. **Note** that should you wish to progress an option that requires a Cabinet decision, we will provide you with a draft Cabinet paper alongside the decisions relating to the kerbside recycling policies, and an updated Regulatory Impact Statement if required

Signatures

Shaun Lewis
General Manager – Waste Systems
Climate Change Mitigation and Resource Efficiency
15/08/2024

Hon Penny SIMMONDS
Minister for the Environment

Date

Options for addressing stakeholder concerns about requirements for produce labels from 1 July 2025

Purpose

1. The purpose of this briefing is to provide you with options for addressing stakeholder concerns regarding the Waste Minimisation (Plastic and Related Products) Regulations 2022 (the regulations)[3] as they relate to requirements for produce labels sold in New Zealand.

Background

There is widespread support for single-use and hard-to-recycle plastic phase outs

2. In 2019, the Office of the Prime Minister's Chief Science Advisor released Rethinking Plastics.[4] This report encouraged New Zealand to treat plastic as a valuable resource that is reused and repaired as part of a circular economy. Following the Rethinking Plastics report, the Ministry for the Environment (the Ministry), consulted on proposals to ban several hard-to-recycle and seven single-use plastic products. We received close to 8000 submissions, with 97 per cent of submitters in support of the proposals.

3. Following consultation, Cabinet agreed in June 2021 to phase out certain hard-to-recycle and six single-use plastic products in three tranches, ensuring adequate lead-in time for harder to replace products (refer Attachment 3). The first two tranches (*Waste Minimisation (Plastic and Related Products) Regulations 2022* and *Waste Minimisation (Plastic and Related Products) Amendment Regulations 2022*) are in force. These came into effect in October 2022 and July 2023 respectively. Tranche 2 includes transitional periods for plastic produce labels and integrated drinking straws.

Policy objectives

4. In New Zealand, there are an estimated 7.5 billion produce labels used per year. Prior to 2023, 98 per cent of produce labels used in New Zealand were plastic. While produce labels have a range of important uses, including branding, identification, tracing and tracking, plastic produce labels are not recyclable or biodegradable, and contaminate both home composts and industrial compost facilities. The contamination is in the form of microplastics, inks and dyes.

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[3] The regulations banned a number of single-use plastic items that are commonly littered in the environment or result in contamination of recycling streams in New Zealand. The regulations came into effect on 1 July 2023 and is made under s 23(1)(b) of the Waste Minimisation Act 2008.
[4] [Rethinking plastics in Aotearoa New Zealand | Office of the Prime Minister's Chief Science Advisor (pmcsa.ac.nz)]

5. During the 2020 consultation on phasing out single-use and hard-to-recycle plastics, the WasteMINZ Organics Materials Sector Group (the Sector Group) strongly supported phasing out non-compostable produce labels, noting they are impossible to remove in the pre-screening process in commercial composting. The Sector Group also noted that the New Zealand composting industry sells significant quantities of compost at a premium price to the horticulture sector who use it on organically certified produce. Plastic produce labels lead directly to plastic entering into soil, and the horticulture industry has an interest in moving to certified compostable produce labels. The shift to compostable labels to reduce contamination in organics was also widely supported by local government.[5] Therefore, one of the key objectives of this policy change is to reduce contamination in organics.

6. In addition to reducing contamination and litter, because New Zealand imports and exports produce with labels affixed, alignment with other jurisdictions is a key objective, along with ensuring compliance with relevant free trade agreements. It is also important to provide a level playing field between domestic businesses and international producers, particularly given domestic businesses have been working towards these regulations since announced in 2021.

7. Other considerations include the achievability of the regulations and identifying and mitigating any unintended consequences of these bans (such as the marketing, traceability and food safety issues that domestic supermarkets have raised).

Tranche 2 regulations came into force on 1 July 2023 with a phased approach for produce labels

8. The regulations, at Attachment 1, as they relate to produce labels, are based on a two phased approach:

   - **Phase 1 (came into force on 1 July 2023):** Labels on produce grown domestically must be certified home compostable, except for the adhesive. Labels on imported produce sold in New Zealand are subject to a transitional period, so no change required until 1 July 2025.

   - **Phase 2 (due to come into force on 1 July 2025):** Both the label and the adhesive on domestic and imported produce sold in New Zealand[6] must be certified home compostable.

9. The regulations are only intended to regulate produce sold in New Zealand, not to prohibit the use of labels on export of produce from NZ into other markets.

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[5] In 2023, the Ministry commissioned Eunomia Research & Consulting, Whetū Consulting Group and Massey University to examine issues related to the presence of contaminants in organic waste material streams. One of seven key recommendation themes from that report related to improving decontamination of organics, including by managing contaminants through kerbside collection systems and decontaminating feedstocks.

[6] The regulations do not technically regulate imports or exports; but they do regulate what is sold or manufactured in New Zealand. Therefore, any produce imported into New Zealand with the intention of being sold will need to be compliant by the date specified.

10. The initial Cabinet policy decision was that fully home compostable labels would be required by mid-2023, including their adhesive. Through further consultation in 2022 (with groups such as Woolworths, Foodstuffs, United Fresh, Jenkins Group, Zespri), the Minister for the Environment agreed to phase implementation due to concerns the adhesive would not be ready by mid-2023. Following the announcement that there would be phased implementation, many stakeholders were confident about being able to comply with the regulations (both in 2023 and later in 2025).

11. At the time of the Cabinet decisions in 2021 (and subsequent technical drafting decisions in 2022), we were also aware that France and Flanders (Belgium) had passed legislation to phase out non-home compostable produce labels, with a view that the European Union (the EU) would likely follow suit.

12. While supermarkets noted the risk associated with New Zealand being a small market (ie, that having special requirements could result in New Zealand struggling to access international markets), the indications were that by mid-2025, New Zealand would be much better aligned with major regions internationally. Therefore, the transitional period for imported produce sold in New Zealand until 1 July 2025 was to allow time for a global shift towards the widespread adoption of home compostable produce labels.

Recent feedback from stakeholders

13. Over the past few months, officials have met with stakeholders from the produce industry to understand their progress towards the 1 July 2025 requirements. We've met with a wide range of stakeholders including Zespri, Foodstuff, United Fresh, Jenkins Group, Woolworths, Horticulture NZ and NZ Fresh Produce Importers Association Inc. The key areas of feedback are set out below.

- **Sinclair is currently the only company selling fully home compostable produce labels internationally.** Jenkins Freshpac Systems (Jenkins) is the distributor of Sinclair labels throughout New Zealand and Australia. The Sinclair label will be certified and meet New Zealand's home compostable labelling requirements by 1 July 2025. Sinclair is expecting to launch the label in New Zealand by September 2024. However, issues with the functionality of the label on certain types of produce, such as kiwifruit, is an ongoing challenge.

- **The transition to compostable labels internationally has been slower than expected (refer to paragraphs 14 and 15).** The main risk is that international packhouses/produce suppliers may exit the NZ market, resulting in reduced availability of offseason produce in New Zealand (e.g. lemons, limes). If suppliers continue to import ordinary plastic labels on produce to New Zealand, retailers would need to de-label produce prior to sale which is not considered a feasible option, and would result in additional costs for consumers[7]. Stakeholders generally shared the view that New Zealand should align with major international markets.

- **Costs of compostable labels are higher than expected.** Recent engagement has confirmed home compostable labels are 50 to 80 per cent more expensive than

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[7] Based on imported produce statistics (from Statistics NZ), an estimated 270.36 million labels would need to be manually removed prior to sale in order to comply with the regulations, if international producers continue to export to the New Zealand market without shifting to home compostable labels.

plastic labels; higher than what officials estimated in the Regulatory Impact Statement[8]. There is a view amongst stakeholders that cost is likely to reduce once there is greater market uptake and competition for compostable labels, particularly driven by the EU's shift to compostable labels by 2028. Domestically, increased cost associated with shifting to home compostable labels has been felt by small producers the most, and some have opted to go label-free. While a label-free approach achieves the stated policy objectives, some small producers consider that doing so places them at a competitive disadvantage.

- **Excess produce labels.** Some growers, particularly in weather impacted regions, have concerns about using up existing non-compliant label stock.[9] This will result in added cost pressures if they are required to purchase new labels, and potentially existing stock going into our waste system without even a single use. This concern was initially raised in early 2023 following Cyclone Gabrielle, prior to the Regulations coming into force, and through the drafting of the Regulations, we mitigated this by enabling produce labelled prior to 1 July 2023 to continue to be sold. It was also acknowledged at the time that there may be some growers who would still have an unused sticker stock, and that these could be used for labelling exported produce.

Current status of international requirements

14. Recent engagement with stakeholders and international counterparts has highlighted that the transition to home compostable labels internationally has been slower than anticipated. Officials recently met with officials from Flanders (Belgium), and we were informed that France is not currently enforcing their regulations, and Flanders are amending their regulations to be more permissive.[10]

15. The EU will have a ban on non-compostable produce labels taking effect from 2028. Other jurisdictions such as France, Flanders (Belgium) and South Australia also plan to transition to compostable labels by 2028. While some jurisdictions may allow for a greater range of specifications (ie, the EU allowing for industrially or home compostable labels), we expect to see innovation in the market for home compostable labels by 2028.

Analysis and advice

16. Officials have identified four main options in response to the recent concerns raised by stakeholders. Refer to Appendix 1 for multi criteria analysis. The key risks and benefits of each option are set out below.

17. **Option 1 – Status quo**: No change to the existing regulations, which require all produce labels (domestic and imported) sold in New Zealand to be fully home compostable by 1 July 2025. This option would realise the environmental benefits of reducing

[8] The RIS predicted a 30 per cent increase in labelling costs, based on industrially compostable label prices as there were no home compostable labels on the market at the time.
[9] For example, United Fresh estimate that excess label value could range between $90-180K.
[10] The Flanders (Belgium) regulations came into force in 2023, allowing only home compostable or industrially compostable labels. The France regulations came into force on 1 January 2022, banning all non-home compostable labels with an exemption for adhesive (although we understand these are not being enforced currently).

contaminations in organics sooner, and it would provide certainty to stakeholders to enable them to continue to prepare for the regulations. However, proceeding with this option would result in a high risk of non-compliance after 1 July 2025, and would likely require the de-labelling of produce imported into New Zealand.[11] There is also a risk of importers pulling out of the New Zealand market given we are a small market, and it is unlikely that international packhouses will adopt special labels for New Zealand, either due to cost or operational reasons. This could impact New Zealand's ability to secure certain offseason produce such as citrus fruits.

18. **Option 2 (preferred) – Extend the transitional period for imported produce sold in New Zealand to 1 July 2028**: You could direct officials to amend the regulations to extend the transitional period for imported produce sold in New Zealand from 1 July 2025 to 1 July 2028. Domestic produce labels would still be required to be fully home compostable, including the adhesive, by 1 July 2025. This option would still ultimately achieve the stated policy objectives, just on a slightly longer timeframe than would be achieved by the status quo. This option would align more closely with major regions, such as the EU, thereby reducing risks of increased cost of imported produce, or importers exiting the New Zealand market. This option would still allow for the domestic transition to home compostable labels, which began on 1 July 2023, to be completed.

    There is a risk that domestic producers would see this option as an unfair disadvantage for their industry which has invested in product development and implementation (and largely had to be compliant by 1 July 2023).

    There also remains a small risk that importers are not ready by 1 July 2028. The EU regulations will provide producers with the option of industrial or home compostable labels. While this will drive innovation and competition in the market, international producers may choose to shift to industrially compostable labels particularly if they are significantly cheaper than home compostable labels. Officials consider this risk to be low, given the innovation we are already seeing in this area (including that a home compostable label is nearly ready domestically) and we are aware of other jurisdictions moving to home compostable labels (France, Flanders (Belgium) and South Australia).

    On balance, Option 2 is likely to be the most pragmatic option in addressing stakeholder concerns. It best achieves the policy objectives, including being well-aligned with international movements. The main risk is the perception that this option does not provide a level playing field for domestic and international producers; however different timeframes for domestic and international producers already exist under the status quo.

19. **Option 3 – Extend the transitional period for all (domestic and imported) produce sold in New Zealand to 1 July 2028:** You could direct officials to amend the regulations to extend the transitional period for all produce sold in New Zealand from 1 July 2025 to 1 July 2028. The benefits and risks associated with this option are similar to Option 2. Extending the transitional period for both domestic and imported produce would enable domestic producers to use any excess stock of non-compliant labels and may be perceived to be fairer for domestic producers. However, it may be unnecessary to allow for three more years to complete the domestic transition to a fully home compostable label, which began in 2023 and is achievable to complete by 1 July 2025.

20. **Option 4 – Repeal all produce label requirements, including the 2023 and 2025 requirements**: You could direct officials to repeal all produce label regulations under the Waste Minimisation (Plastic and Related Products) Regulations 2022. This option would resolve concerns associated with complying with the 1 July 2025 requirements. However, we have not consulted with stakeholders on this option, and while industry groups have not always been fully supportive of these regulations, we expect this option may not be well-received given the efforts and investments domestically to comply with the 2023 and 2025 regulations. Further, this option presents a risk of New Zealand being perceived internationally as going backwards on policies to reduce plastic waste, particularly in light of current international negotiations towards a legally binding treaty to end plastic pollution [BRF-4294 refers]. Refer to paragraph 25 regarding the likelihood that this option is also non-compliant with New Zealand's free trade agreements (FTAs).

21. Options 1-3 would ensure the policy objectives are fully met by 2028. You could also choose to progress an amended Option 2 or 3 to allow for a greater range of specifications like the EU. However, we do not recommend this, because industrially compostable labels need to be processed in an industrial composting facility, and so will not break down properly in home composts or the environment.

Te Tiriti analysis

22. No Tiriti issues are associated with the proposals in this briefing. However, there are impacts associated with these options for Māori. The continuation of phasing out hard-to-recycle and single-use plastics will contribute to reduced environmental degradation which impacts on customary practices (refer to the 2021 Regulatory Impact Statement at Attachment 4). A repeal (option 4) could impact on iwi/Māori in several ways including continued environmental degradation/plastic contamination but also could impact iwi/Māori businesses affected by the ban of non-home compostable labels

Other considerations

[*Legally privileged*]: Legal issues

9(2)(h)

[redacted]

9(2)(h) [redacted]

9(2)(h)

Financial, regulatory and legislative implications

27. There are regulatory implications for Options 2-4, which would all require amending or repealing the existing regulations.

28. Regardless of which option you choose to proceed with, we note that under the current Waste Minimisation Act 2008 (WMA), the Ministry has limited powers in respect to compliance. As you will be aware, through reviewing the WMA there will be an opportunity to strengthen enforcement tools.

Next steps

29. Subject to your preferred option, officials may need to complete further engagement to satisfy the requirements for the amendment or repeal of the regulations. We will also need to seek advice from the Waste Advisory Board on your preferred option. We will keep you updated on this engagement as required.

30. Should you wish to progress an option that requires a Cabinet decision, we will provide you with a draft Cabinet paper alongside the decisions relating to the kerbside recycling policies and will provide you with further advice in the coming weeks related to this paper. We will also provide an updated Regulatory Impact Statement if required.

31. In order to provide certainty to the sector as soon as possible, we will aim to have a Cabinet decision by the end of 2024 to allow for PCO to draft the regulations by early 2025.

Ministry for the Environment
Manatū Mō Te Taiao

Appendix 1: Multi criteria analysis for addressing stakeholder concerns

	Option 1 - Status quo	Option 2 (preferred) – No change for domestic produce, more time for imported produce sold in New Zealand	Option 3 – More time for domestic and imported produce sold in New Zealand	Option 4 – Repeal all produce label requirements, including the 2023 and 2025 requirements
Reduces litter/microplastics and improves resource recovery	++ Reduced environmental harm from plastic labels and improve compost resource recovery by reducing contamination.	++ Reduced environmental harm from plastic labels and improved compost resource recovery. However, these benefits would not be achieved until 2028.	++ Reduced environmental harm from plastic labels and improved compost resource recovery. However, these benefits would not be achieved until 2028.	-- Ongoing environmental harm from plastic labels. Would increase compost resource recovery as domestic producers would be able to move back to using plastic labels.
Fairness	++ Level playing field for businesses already moving towards home compostable labels.	+ Domestic growers could see it as an unfair advantage for importers.	++ May be perceived as being fairer for domestic producers, however domestic producers may also be disappointed given their investments to comply by mid-2025.	++ Level playing field for both domestic and international producers. However, domestic producers may be disappointed given their investments to comply by mid-2025.
Achievability	- Domestic producers are likely to achieve a home compostable label by 2025; however, not likely to be achievable for importers.	+ Achievable given international moves towards compostable labels by 2028	+ Achievable given international moves towards compostable labels by 2028	++ Fully achievable
Unintended consequences	- There is a risk that importers cannot shift to home compostable labels by 2025 and may pull out of the NZ market, or that fruit would need to be de-labelled prior to sale.	0 Risk that international suppliers will shift to industrially compostable labels instead of home, meaning that the regulations may still be unachievable by 2028 (low risk).	0 Risk that international suppliers will shift to industrially compostable labels instead of home, meaning that the regulations may still be unachievable by 2028 (low risk).	- Domestic producers who have invested significantly in home compostable labels may be disappointed. Litter and compost contamination likely to continue.
Consistency with international requirements	- We are moving slightly earlier than other countries.	+ Timeframe is more consistent with international markets.	+ Timeframe is more consistent with international markets.	- This option is likely to be non-compliant with New Zealand's free trade obligations.
Overall assessment	3 Highest benefit to the environment but the most challenging for industry, particularly importers.	7 Fully achieves the objectives. Could be perceived as being an unfair advantage for importers.	8 Fully achieves the objectives. Could be perceived as being an unnecessary extension for domestic produce.	- Increased contamination of New Zealand's composts, both home and industrial. Would set New Zealand back in international regulation with many countries moving towards similar bans.

Document 6

Briefing: Policy options for provision of household kerbside recycling and food scraps services

Date submitted: 20 March 2024
Tracking number: BRF-4189
Security level: Policy and Privacy
MfE priority: Not urgent

Actions sought from Ministers		
Name and position	***Action sought***	***Response by***
To Hon Penny SIMMONDS **Minister for the Environment**	Read and discuss with officials before indicating your preferred choice.	3 April 2024

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

Appendices and attachments
1. Appendix 1: Policy initiatives to improve kerbside recycling 2. Appendix 2: Food scrap collections timeline considerations 3. Appendix 3: Options for kerbside food scraps services 4. Appendix 4: Options for kerbside recycling services.

Key contacts at Ministry for the Environment			
Position	***Name***	***Cell phone***	***First contact***
Principal Author	Brittany Rymer	n/a	
Responsible Manager	Liz Butcher	022 517 3314	
General Manager	Shaun Lewis	021 101 2446	✓

Minister's comments

Policy options for provision of household kerbside recycling and food scraps services

Key messages

1. In November 2022, a set of five policies to improve household recycling were agreed by Cabinet [CAB-22-MIN-0539]. To date, only one of these policies (the standard materials policy) has come into effect.

1. Two of the four policies that have not been drafted into regulations are requirements for the provision of kerbside recycling and food scrap services. If progressed, these two policies would direct all Territorial Authorities (TAs) to insert kerbside service provision clauses into their Waste Management and Minimisation Plans (WMMPs) and offer kerbside recycling and food scraps collections, in all urban areas, by either 2027 or 2030.

2. This briefing presents options to either progress the policies (with or without amendments), use a different policy tool or rescind the policies. Options are summarised in table 1 below.

Table 1: Summary of proposed options for service provision of food scraps and recycling

	Food scraps	***Recycling***
Option 1: Progress/adapt planned policy	*Option 1a (no change)* All urban areas >1,000, TAs with an organic material processing facility nearby by 2027, all TAs by 2030 *Option 1b* All urban areas >1,000 by 2030	*Option 1a (no change)* All urban areas >1,000 by 2027 *Option 1b* All urban areas >1,000 by 2028
	Option 1c All major and large urban areas (>30,000 population) by 2030 *Option 1d* All major urban areas (>100,000 population) by 2030	*N/A* – Change to urban threshold not presented for recycling as the policy objective is consistent access across the country. This consistency is eroded if the policy applies to only a subset of the six TAs affected
Option 2: Set a performance standard instead	*Option 2* Develop a performance standard to include food waste diversion targets	*Option 2* Develop a performance standard to include recycling diversion targets
Option 3: Rescind proposed policy and pursue non-regulatory options	*Option 3a* Rely on investment to incentivise voluntary kerbside service adoption	*Option 3a* Rely on investment to incentivise voluntary kerbside service adoption
	Option 3b Discard the policy	*Option 3b* Discard the policy.

3. Altering the timeframe and urban threshold would offer a high level of waste minimisation and emissions abatement benefits but still presents a financial cost to impacted TAs. Alternatively, taking a performance standard or investment led approach may allow for greater local autonomy but would offer reduced environmental benefits.

4. We seek your direction on a preferred option(s). You may wish to meet with officials to discuss before indicating your choice. Further decisions will be required by Cabinet regardless of the direction you choose.

5. We also intend to work with your office to agree on key messages to update TAs who are seeking certainty to inform their long-term planning processes.

Recommendations

We recommend that you:

a. **note** in November 2022, Cabinet approved policies to require all TAs to offer kerbside recycling and food scrap collections in urban areas by 2027 or 2030.

b. **note** these two kerbside service provision policies would direct TAs to insert service provision clauses into their WMMPs under section 48 of the WMA. These policies have not been drafted into regulation and your direction is sought regarding their progression.

c. **meet** with officials to discuss policy options and agree on next steps. You may wish to do so ahead of signing this briefing.

Yes | No

d. **indicate** your preferred policy direction for kerbside food scraps by ticking one option from table 2 below.

<table>
<tr><th colspan="3">Table 2: Food scraps policy options for decision</th></tr>
<tr><th>Policy option</th><th>Option description</th><th>Minister decision</th></tr>
<tr><td rowspan="4">Progress/adapt planned policy and direct TAs to provide kerbside services</td><td>Option 1a. Progress the policy as planned (no changes)</td><td></td></tr>
<tr><td>Option 1b. Extend implementation to 2030 for all TAs</td><td></td></tr>
<tr><td>Option 1c. Major and large urban areas only and extend implementation to 2030</td><td></td></tr>
<tr><td>Option 1d. Major urban areas only and extend implementation to 2030</td><td></td></tr>
<tr><td>Rescind planned policy and set a performance standard instead</td><td>Option 2. Develop a performance standard and set food waste diversion targets</td><td></td></tr>
<tr><td rowspan="2">Rescind planned policy and pursue non-regulatory options</td><td>Option 3a. Rely on an investment led approach only
If you select from options 1-2 as a preferred approach this does not prevent you from continuing to invest in establishment of food scrap services.</td><td></td></tr>
<tr><td>Option 3b. Rescind policy</td><td></td></tr>
</table>

e. **indicate** your preferred policy direction for kerbside recycling by ticking one option from table 3 below.

Table 3: Kerbside Recycling policy options for decision		
Policy options	***Option description***	***Minister decision***
Progress/adapt planned policy and direct TAs to provide kerbside recycling services	Option 1a. Progress the policy as planned (no changes)	
	Option 1b. Extend implementation to 2028 for all TAs	
Rescind planned policy and set a performance standard instead	Option 2. Develop a performance standard and set targets for recycling	
Rescind proposed policy and pursue non-regulatory options	Option 3a. Rely on an investment led approach only *If you select from options 1-2 as a preferred approach this does not prevent you from continuing to invest in establishment of new recycling services*	
	Option 3b. Rescind policy.	

f. **note** that once preferred options have been determined for both the kerbside service provision policies, officials will work with your office to prepare a policy update for TAs.

g. **note** officials will provide you with further advice on your preferred option(s) and begin preparing a Cabinet paper on the option(s) you wish to put forward for Cabinet approval.

Signatures

Shaun Lewis
General Manager – Waste Systems
Climate Change Mitigation and Resource Efficiency

20 March 2024

Hon Penny SIMMONDS
Minister for the Environment

[Date]

Policy options for provision of household kerbside recycling and food scraps services

Purpose

6. To seek your direction on policy options to improve waste minimisation outcomes related to kerbside recycling and household food scraps.

Background

New Zealand is underperforming in waste reduction and management

7. New Zealand is behind many countries when it comes to reducing and managing household waste. In 2021, an average of 700 kilograms of waste per person was sent to landfill, making New Zealand one of the highest generators of waste per person in the OECD.

8. In 2021, waste also contributed 4 per cent of New Zealand's total greenhouse gas emissions and 9 per cent of its total methane emissions. In landfills, organic materials like food scraps, plant matter and paper or cardboard decompose anaerobically and release methane, a powerful greenhouse gas. Food scraps generate six times more methane than general waste. They also break down quickly, releasing much of their methane before it can be captured by landfill gas systems.

9. In urban areas, kerbside collections are the main way households divert waste from landfill. However, New Zealand kerbside systems are also underperforming. On average only one-third of our kerbside collected materials are placed in a recycling or food scraps bin, with the rest sent to landfill.[1] High performing countries collect two-thirds of household materials in kerbside recycling or food scraps and only send one-third to landfill.[2]

A comprehensive package of recycling policies is planned to improve performance

10. A kerbside policy package of five separate but interconnected policies was agreed by Cabinet in November 2022 [CAB-22-MIN-0539] and announced in March 2023. This package of policies (see Appendix 1) followed public consultation in 2022 and aims to lift our overall performance on managing household recycling. Kerbside standardisation, which came into effect on 1 February 2024, was the first step towards a higher performing recycling system [BRF-3936 refers].

11. Collectively, these policies aim to reduce household waste and emissions by making it easier for households to recycle and divert food waste from landfill, improving the information we have available to monitor and track progress, and encouraging TAs to improve their waste minimisation performance.

12. This briefing seeks your direction in relation to two policies within the broader package as outlined in table 4 below. We will provide you with advice in the coming weeks on the remaining two policies (see Appendix 1).

[1] Yates, S. 2019. Rethinking Rubbish and Recycling – Contamination and Missed Capture Report.
[2] Ministry for the Environment. 2022. Transforming recycling: Consultation document.

WMF funding is available to support new collections but will not cover all costs

13. Current Waste Minimisation Fund (WMF) investment signals are designed to encourage the

Table 4: Announced kerbside food scraps and recycling policies		
Policy	***Description of policy announced in 2023***	***Implementation timeline***
Food scraps policy	Direct all TAs to provide kerbside food scraps in urban areas with more than 1,000 people	2027 for TAs within 150 kilometres of an existing organic materials processing facility. 2030 for all other TAs (see Appendix 2)
Recycling policy	Direct all TAs to provide kerbside recycling in urban areas with more than 1,000 people[3]	2027 for all TAs
Both policies propose to use section 48 of the WMA to direct TAs to insert provisions for recycling and/or food scraps collections into their WMMPs.		

establishment of new TA managed kerbside collections.

14. The WMF has applications totalling $23 million to support TAs to plan and implement food scrap collections. An estimated additional $11.3 million of WMF investment would be needed to fund all the TAs that are not yet in the funding pipeline. Table 5 shows the status of TA food scrap collections as they relate to the WMF investment pipeline.

Table 5: Current TA status for establishing food scrap collections	
Operating: Food scrap collections operating (one launching July 2024)	18 TAs
In development*:* Advanced planning stages, but final decisions on implementation may await Government direction	23 TAs
Initial scoping: Invited to apply to the WMF fund for scoping activities	15 TAs
Initial scoping not started: No formal plans discussed with the Ministry	11 TAs

15. The 18 TAs that already offer kerbside food scrap collections include all major urban areas except Wellington and Hutt City. Urban residents of the 18 TAs with operating food scrap collections represent 54 per cent of New Zealand's population.

16. Establishing a new food scraps collection is a significant cost for TAs, particularly for small and rural TAs. In recent months, several TAs have indicated that without a regulatory requirement they will halt plans to introduce new services. This is due to cost-of-living impacts and trying to keep rate increases to a manageable level.

17. For the recycling policy, the associated costs are more moderate. The WMF has set aside up to $14 million to support TAs with the planning and implementation of new recycling collections. No new recycling processing facilities are required to implement the kerbside recycling service provision requirement.

[3] 'Urban areas' in relation to original policy proposals follow the Statistics New Zealand definition of urban areas: Major >100,000 population, Large >30,000, Medium >10,000, Small >1,000.

18. Currently, 60 out of 67 TAs already offer kerbside recycling services.[4] Of the six TAs responsible for urban areas that do not offer a kerbside recycling service, three have applied to the WMF for funding. The other three have made enquiries but are yet to apply.

The recycling policy aims to increase access and builds on standardisation

19. Private waste companies offer kerbside recycling services in most of the areas without TA managed services. Analysis completed by officials on the effectiveness of these private collections suggest that they are more costly and less effective at diverting waste than TA managed collections. Additionally, households must opt-in to receive a private collection. This creates a barrier to access and relies on the individual household having the financial means to sign-up to a private service and being motivated to do so.

20. Directing TAs to offer kerbside recycling services will ensure that the standard materials are collected consistently across the country. The standard materials requirement does not apply to private collections,[5] meaning nationally consistent collection of the standard materials cannot be ensured under the status quo.

Analysis and advice

You have choices about how to move forward with the kerbside policies

21. You have options to progress, adapt or rescind the two kerbside service provision policies. Options are outlined in table 6 below and discussed in this section. Additionally, Appendices 3 and 4 outline the differences in waste diversion, emissions abatement, impacted population and expected costs for each option.

Table 6: Food scraps and recycling options at a glance		
	Food scraps	***Recycling***
Progress/adapt planned policy and direct TAs to provide kerbside services	*Option 1a (no change)* All urban areas >1,000, TAs with an organic material processing facility nearby by 2027, all TAs by 2030	*Option 1a (no change)* All urban areas >1,000 by 2027
	Option 1b All urban areas >1,000 by 2030	*Option 1b* All urban areas >1,000 by 2028
	Option 1c All major and large urban areas (>30,000 population) by 2030 *Option 1d* All major urban areas (>100,000 population) by 2030	*N/A* Not presented for recycling as the policy objective is consistent access across the country. This consistency is eroded if the policy applies to only a subset of the six TAs affected.

[4] TAs that do not provide a kerbside recycling service are Far North District Council (DC), Whanganui DC, Rangitikei DC, Kāpiti Coast DC, Upper Hutt City Council (CC), and Waimate DC. Chatham Islands Council would not require a kerbside recycling service as it has no urban areas with >1,000 people.
[5] The standard materials policy uses section 49 of the WMA, which only applies to TA managed collections. No policy tool currently allows standard materials to be set nationally for private collections.

Table 6 continued	*Food scraps*	*Recycling*
Rescind policy and rely on a performance standard instead	*Option 2* Develop a performance standard to include food waste related diversion targets	*Option 2* Develop a performance standard to include recycling related diversion targets
Rescind proposed policy and pursue non-regulatory options	*Option 3a* Rely on investment to incentivise voluntary kerbside service adoption	*Option 3a* Rely on investment to incentivise voluntary kerbside service adoption
	Option 3b Discard the policy	*Option 3b* Discard the policy.

Timeline adjustment considerations

22. Due to delays in drafting the policies into regulation, TAs have lacked certainty on the status of the kerbside service provision policies. Consequently, some TAs have not made the necessary preparations to meet the 2027 service provision timelines. This is particularly notable for the food scraps collection 2027 timeline (see Appendix 2).
23. For food scraps services, removing the earlier 2027 deadline and shifting all TAs to provide food scraps services by 2030 would be a pragmatic adjustment that would allow TAs time to plan and consult on the changes.
24. For recycling services, the Ministry has been in contact with most of the impacted TAs and understands that a shorter extension is achievable. Extending the timeframe to 2028 would allow the policy to remain ambitious yet pragmatic for the six affected TAs. Further extensions would delay consistent and equitable access to recycling services.

Lifting the urban threshold would reduce both costs and benefits for food scraps

25. The current urban threshold captures small urban areas defined as having a population greater than 1,000 (all urban areas). Raising the urban threshold decreases the total number of households serviced, reducing costs and benefits concurrently (see table 7).

Table 7: Impact of applying different urban thresholds for food scraps					
Urban threshold	*TAs to establish new collections*	*Population within urban threshold*	*Total expected access**	*Annual waste diversion*	*Emissions abatement (tCO2e in 2030)*
Options 1a and 1b. All urban areas (>1,000)	48 TAs	84% of population	84% of population	55,000 extra tonnes	13,000 to 25,000
Option 1c. Large and major urban areas only (>30,000)	13 TAs[6]	65% of population	72% of population	30,000 extra tonnes	7,000 to 13,000
Option 1d. Major urban areas only (>100,000)	2 TAs (Wellington and Hutt CC)	51% of population	60% of population	12,000 extra tonnes	3,000 to 7,000

*Total expected access includes existing services in urban areas below the stated urban threshold.

[6] Wellington CC, Hutt CC, Whangarei DC, Rotorua DC, Gisborne DC, Hastings DC, Napier CC, Whanganui DC, Palmerston North CC, Porirua CC, Upper Hutt CC, Nelson CC and Invercargill CC.

26. As discussed in paragraph 9, WMF funding is available to support TAs with the planning and roll out of new food scrap collections. WMF funding is also being considered for the establishment of new organic material processing facilities. The infrastructure gap for processing kerbside food scraps for all large and major urban areas is estimated to require $100 million in investment, with the WMF potentially investing up to $50 million to trigger matching private investment.[7]

27. A national network of food scraps processing facilities would reduce the cost of future organic material diversion and emissions abatement. To establish a food scraps processing network with meaningful national reach, the urban threshold would need to be set to include major and large urban areas (food scraps option 1c).[8]

28. As an indicative range, operational costs of TA managed food scrap services can range from $30 to $100 per household per year, though most are between $40 to $60.[9] Some savings may be possible if weekly rubbish collections are shifted to fortnightly.[10] These annual costs are commonly covered fully or partially by rates funding.

29. Due to economies of scale, it is often more cost effective to deliver food scraps services in densely populated urban areas. Lacking urban density, small and rural TAs can face a greater cost burden for implementing new food scraps collections. Alternative food waste diversion options, like home composting, may also be more common in less populated areas.

Recycling in all urban areas supports consistent service access

30. Options to lift the urban threshold for the recycling policy have not been presented. Kerbside recycling is now near ubiquitous and is an expected service in most of the country. Maintaining the urban recycling threshold at >1,000 population supports a consistent and accessible recycling system nationwide.

31. As discussed in paragraph 12, WMF funding is available to support impacted TAs with the planning and implementation of new kerbside recycling collections. Ongoing operational costs for recycling services are typically between $50 to $100 per household per year.[11] For households with existing private recycling services, a cost transfer (from a private company to a TA managed service) rather than a new cost is likely.

Setting targets through a performance standard might not be feasible for improving kerbside diversion in the near term

32. A performance standard is an outcomes-based measure to incentivise results without prescribing the exact services to be delivered. This alternative policy tool uses section 49 of the WMA. A diversion standard that considered overall waste diversion (food scraps and recycling) was part of the original package of policy initiatives announced in 2023.

33. Data on household waste disposal in New Zealand is limited, making the development of a meaningful performance standard difficult. Although TAs have choices around how to meet

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[7] Investment estimates provided are based on the current processing gaps for kerbside food scraps (does not account for commercial waste). Actual investment requirements will be confirmed on a project-by-project basis and any request for WMF investment will be assessed at the time of application.
[8] Fifteen of New Zealand's sixteen regions would have collections. Only the West Coast would not.
[9] This range is estimated based on publicly available rates information and from actual costs several TAs have shared with the Ministry in confidence.
[10] 12 councils with food scraps collections have moved to fortnightly rubbish collections, a further six councils, including Auckland Council, have announced publicly that they are considering the switch.
[11] See footnote 9.

a standard, it is possible that a kerbside service would be the only practical way to achieve a performance standard that is set at a level to drive greater diversion.

34. Under the WMA, the Minister may retain waste levy payments if a section 49 performance standard is not met. TAs have expressed concern that a standard may not be achievable and that retaining payments reduces the resources available to improve performance. We will send you an additional briefing that covers further options on the use of a kerbside performance standard in the coming weeks.

Rescinding either policy would reduce benefits but may alleviate some cost pressures

35. Removing the need to provide new kerbside services would reduce cost pressures on local government and allow a greater degree of TA local autonomy. Some TAs that are under pressure to reduce rates increases may welcome such an approach.

36. However, rescinding either policy without introducing a performance standard risks a reduction in resource efficiency and emissions benefits. TAs may opt to halt current plans to introduce new kerbside services. It is also possible that some established kerbside services may be removed or downgraded.

37. Rescinding either policy but continuing to invest in kerbside services via the WMF would offer uncertain outcomes. It is likely that most TAs interested in starting new kerbside collections regardless of Government direction have already taken up the investment support on offer. Stimulating further uptake would require more generous investment or a new benefit (eg, operational funding to reduce the initial rates impact over several years).

Food scraps service option recommendation

38. Recognising the diminishing marginal benefits of food scrap services in small urban areas, the Ministry recommends lifting the urban threshold to cover only major and large urban areas (populations > 30,000), while also extending the implementation timeline to 2030 for all TAs (table 2, option 1c). This option retains enough scale to ensure organic processing facilities serve nearly all regions of New Zealand and creates potential for future diversion opportunities.

39. If you wish to maximise waste minimisation and emissions abatement benefits, the Ministry recommends keeping the food scraps policy urban threshold at 1,000 people but extending the implementation timeline to 2030 for all TAs (table 2, option 1b).

Food scraps service option recommendation

40. For the kerbside recycling policy, the Ministry recommends extending the timeframe to 2028 (table 3, option 1b). This approach would ensure a foundational resource recovery system is consistent and equally accessible across New Zealand.

Other considerations

Consultation and engagement

41. Ninety-seven per cent of submitters to the '*Transforming recycling*' consultation agreed that all TAs should offer household recycling services. Some submitters offered conditional support, or emphasised considerations for communities that do not meet the urban area threshold of more than 1,000 people.

42. Similarly, 89 per cent of submitters agreed that all TAs should offer a kerbside food scraps collection. Of the 39 TAs that responded to the consultation, 21 supported mandating food

scrap collections to some extent, while six did not support the policy and 12 did not provide a definitive reply. TA support was conditional primarily on Government funding and coordinating of infrastructure investment.

Risks and mitigations

43. A key risk relates to balancing the competing priorities of effective action on resource recovery and emissions versus household cost implications. The options presented provide a range of factors for your consideration.

44. Uncertainty about the Government's policy direction has led some TAs to include the requirements in their Long-Term Plans (LTPs) while others have not. For any policy option selected, some TAs' LTPs will be out of alignment. If either policy is rescinded, some TAs may complain of being overprepared (wasted effort) while TAs that desire cost savings or increased local autonomy may welcome such a change.

45. The outcome of budget decisions on the Ministry's baseline funding will determine to what extent we are able to implement the options outlined in this paper.

Legal issues

46. No legal issues are associated with the proposals in this briefing.

Financial, regulatory and legislative implications

47. Overall, the costs for the kerbside recycling policy are moderate and well supported by the WMF. While the financial costs for food scraps collections are higher, the policy offers strong environmental benefits. The food scraps policy is one of the few tools available to offer biogenic methane emissions abatement over a short period of time.

48. For any choice of options, a Cabinet paper will need to be drafted. Previous Cabinet decisions persist despite a change in Government but are not binding on the new Government. Cabinet will need to agree to either continue, amend or rescind the policies. If required, regulations would then be drafted by the Parliamentary Counsel Office before Cabinet approval is sought for the final regulations. Significant changes to the policies may require further consultation with affected parties.

Next steps

49. Officials recommend that we discuss with you at an upcoming policy meeting your preferred option and next steps.

50. In the coming weeks you will also receive a briefing outlining the final two policies in the kerbside policy package (further discussion of a kerbside diversion standard as a complementary policy tool and private collection data reporting requirements).

51. We note that you are meeting with the Mayor of Hamilton City Council in late May. Hamilton already has food scrap collections in place and we suggest using this meeting to hear about their experience ahead of taking any decision to Cabinet.

Appendices

Please see appendices as attached via email to the Minister's office.

Appendix 1: Policy initiatives to improve kerbside recycling

Appendix 2: Food scrap collections timeline considerations

Appendix 3: Options for kerbside food scraps services

Appendix 4: Options for kerbside recycling services

Appendix 1: Policy initiatives to improve kerbside recycling

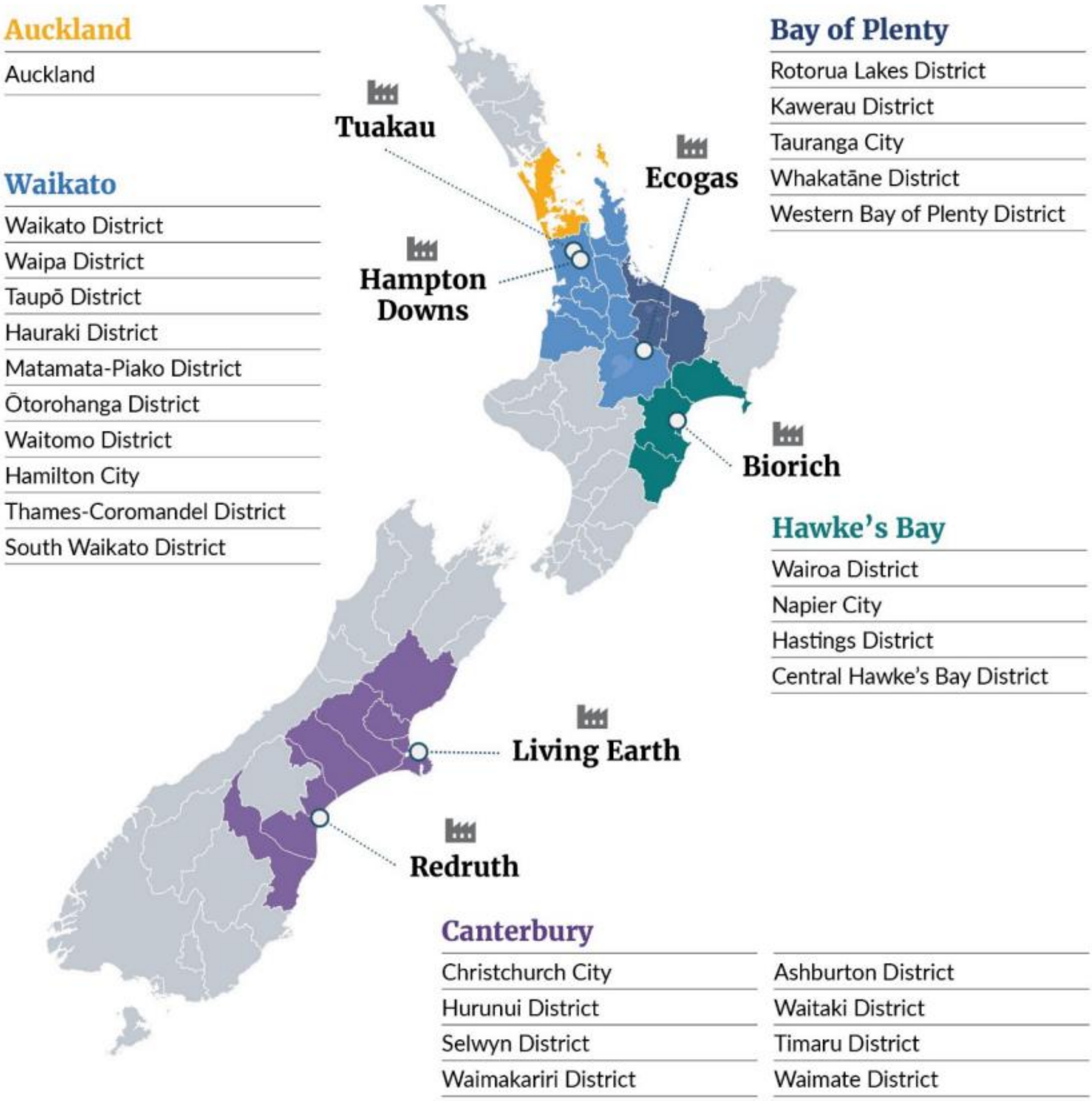
Policy	***Status***
Policy 1. A standard set of materials to be accepted in kerbside collections From 1 February 2024 all TAs will accept only the standard materials in their recycling, food scrap and FOGO collections.	Gazetted, came into effect on 1 February 2024.
Policy 2. Recycling collections for urban households By 2027 all TAs will provide recycling collections to households in urban areas of 1,000 people or more.	Regulations yet to be developed. Advice provided in this briefing.
Policy 3. Food scrap collections for urban households By 2030 all TAs will provide food scrap collections to households in urban areas of 1,000 people or more. TAs with an organics processing facility with spare capacity nearby will provide a food scrap collection service by 2027.	Regulations yet to be developed. Advice provided in this briefing.
Policy 4. Minimum kerbside diversion standard All TAs must meet a performance standard for the amount of household kerbside waste diverted from landfill. The performance standard will increase over time: • 30% by July 2026 • 40% by July 2028 • 50% by July 2030.	Gazette notice yet to be developed. Advice to be provided in a future briefing.
Policy 5. Private collection reporting requirements All private waste companies providing regular household waste collections (eg, weekly or fortnightly) to record from July 2024 tonnes of rubbish, recycling, food and garden waste collected and contamination rates. From late 2025, they will report these figures to the Ministry.	Regulations yet to be developed. Advice to be provided in a future briefing.

Document 6.2

Appendix 2: Food scrap collections timeline considerations

The image below shows the TAs with main centres within 150 kilometres of an organics processing. Under the announced food scrap collection policy, the 28 TAs listed on this map would be expected to establish food scrap collections by 2027.

12 of these TAs already have established food scrap services and a further eight are in advanced planning and have WMF applications in for implementation funding. Three more have feasibility applications with the WMF, while the remaining five do not yet have WMF applications to investigate or implement food scraps collections.



Appendix 3: Options for kerbside food scraps services

Option 1a. Progress the policy as planned (applies to all urban areas >1,000)	*Pros*	• TAs have already started working towards this policy, supported by WMF investment • 55,000 extra tonnes of food scraps diverted annually by 2030 and expected access for 84% of population • 13-25 ktCO2e emissions reduction annually in 2030
	Cons	• new cost for 1.6 million people to receive a new service, 48 TAs affected
Option 1b. Extend implementation to 2030 for all TAs	*Pros*	• similar to option 1 but delay allows TAs more time to plan for services and costs
	Cons	• similar to option 1 but delayed access to services, food scraps diversion, and emissions reductions
Option 1c. Major and large urban areas only and extend implementation to 2030	*Pros*	• 30,000 extra tonnes of food scraps diverted annually in 2030 and expected access for 74% of population • 7-13 ktCO2e emissions reduction annually in 2030
	Cons	• new cost for 0.9 million people to receive a new service, 13 TAs affected
Option 1d. Major urban areas only and extend implementation to 2030	*Pros*	• 12,000 extra tonnes of food scraps diverted annually in 2030 and expected access for 60% of population • 3-7 ktCO2e emissions abatement annually in 2030
	Cons	• new cost for 0.3 million people to receive a new service, two TAs affected
Option 2. Rely on a performance standard instead	*Pros*	• greater TAs choice for how to meet standard (eg, food waste avoidance, home composting)
	Cons	• challenging to set a food scraps-specific performance standard that is achievable and drives change • TA concern about the perverse outcome of retaining levy payments if the standard is not met
Option 3a. Rely on an investment led approach only (non-regulatory option)	*Pros*	• reduced household and TA costs and greater TA autonomy
	Cons	• willing TAs already taken up WMF investment. Without requirement many TAs may halt plans • increased incentives to raise uptake would increase Government costs but decrease TA costs
Option 3b. Rescind policy	*Pros*	• no additional costs – may be welcomed by TAs who are facing large rate increases
	Cons	• no additional waste minimisation, emissions reductions, or increase in access (54% status quo) • potential frustration for TAs who have already invested in work toward rolling out collections.

Appendix 4: Options for kerbside recycling services

Option 1a. Progress the policy as planned (applies to all urban areas >1,000)	*Pros*	• strong support through public consultation (97%) • TAs working towards this policy, supported by WMF investment • additional 25,000 tonnes recycling from 2027 (6% increase) • builds on progress made already to standardise materials accepted across New Zealand • increase access from 80% to 84% of New Zealanders (+ 200,000 people) • reduced emissions from decreased use of virgin materials (unquantified)
	Cons	• new cost for households receiving kerbside recycling for the first time, 6 TAs affected • 2027 implementation not considered achievable for all affected TAs
Option 1b. Extend implementation to 2028 for all TAs	*Pros*	• similar to option 1 but delayed by one year • delay provides more time for TAs to establish new services and plan for service costs
	Cons	• nationally consistent kerbside recycling system delayed to 2028
Option 2. Rely on a performance standard instead	*Pros*	• greater flexibility for TAs to choose how to best meet the standard (eg, promoting reusable packaging, private collections, or providing drop-off services)
	Cons	• challenging to set a recycling-specific performance standard that is both achievable and drives ambition to lift kerbside recycling performance • TA concern about the perverse outcome of retaining levy payments if the standard is not met
Option 3a. Rely on an investment led approach only (non-regulatory option)	*Pros*	• Reduced household and TA costs and greater TA autonomy
	Cons	• less effective – only one TA is likely to introduce a recycling service under an investment only option. Introduction of a service for the other five TAs is more uncertain without regulation
Option 3b. Rescind policy	*Pros*	• no additional costs – may be welcomed by TAs who are facing large rate increases
	Cons	• no increase in access, waste minimisation or emissions reductions • standard materials not uniformly accepted across the country.