



## Waste and Resource Efficiency Secondary Briefing

Date Submitted:	3 November 2020	Tracking #: 2020-B-07259	
Security Level	Confidential	MfE Priority:	Non-Urgent

	<b>Action sought:</b>	<b>Response by:</b>
To Hon David Parker, Minister for the Environment		

Actions for Minister's Office Staff	<b>Return</b> the signed report to MfE.
Number of appendices and attachments [# 1]	Titles of appendices 1. Waste and Resource Efficiency Work programme

### Ministry for the Environment contacts

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# Waste and Resource Efficiency Secondary Briefing

## Key Messages

1. The purpose of this briefing is to outline New Zealand's waste challenge, provide an overview of the current work programme and set out the forward direction and policy priorities.

Key MfE Work Programmes This advice relates to the following:				
RM System Reform	Freshwater and land use policy and implementation	Jobs for Nature	Waste & Resource Efficiency	Climate
Scope & Objectives of RM System Reform	Allocation	Jobs for Nature Roles & Responsibilities	Waste Levy Implementation	Mitigation
Partnering & Engagement	Rights & Interests	Te Mana O Te Wai	Waste Strategy & WMA Review	Markets
Interagency Working Arrangements	Governance & Oversight	Freshwater Improvement Fund	Container Return Scheme, Product Stewardship	Adaptation
Initial Policy Decisions	Implementation	Other Investment		Funding & Governance
	Freshwater Regulations			

## New Zealand's waste problem is significant and has been growing

2. New Zealand has one of the highest rates of municipal waste to landfill per capita in the OECD and it is increasing – by 48% in the last 10 years. We have comparatively low rates of recycling and materials recovery.<sup>1</sup> Recycling services are confusing and inconsistent around the country, often involve manual sorting, can cost more than sending material to landfills, and contamination of recycling materials remains a major problem.
3. Tightening international markets (eg, China's National Sword policy) and rules (eg, Basel Convention amendments on low value plastic) mean there is mounting pressure on countries to take responsibility for their own waste and to reprocess recyclable resources domestically.
4. We currently do not have the infrastructure needed for effective domestic recycling or resource recovery. The amount needed to fix that gap has been estimated at over \$2 billion<sup>2</sup>. The small size and wide spread of the New Zealand population make that level of investment unlikely from a market-led model alone.
5. Poor management of waste and recyclable resources affects the climate, biodiversity, and marine environments. Legacy and contamination problems from old disposal and storage sites are becoming more apparent with time (eg, the recent failure of the Fox River landfill).
6. Put simply, we use too much, waste too much, and pollute too much. New Zealand needs to find ways to:
  - reduce the amount of natural resources and materials we use

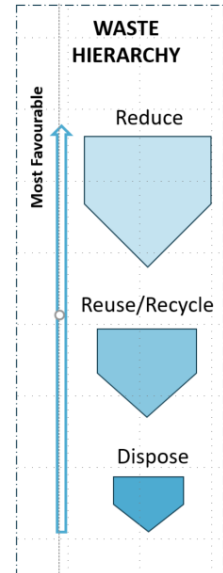
<sup>1</sup> New Zealand disposes of more municipal waste per capita than any other country in the OECD: ~750kg per person per year (2018) in 2018/19. Estimates for 2018/19 are that we recovered 4.9 million tonnes of materials but sent 12.6 million tonnes to landfills, including 3.7 million tonnes of levied waste to class 1 landfills. For example, beverage container return schemes are on the rise globally and many schemes, especially those in Europe achieve over 90% recovery rates. Germany's scheme achieves 98% recovery for beverage containers in scope of the scheme. New Zealand currently recycles less than 60% of its beverage containers resulting in nearly 1 billion containers going to landfill or litter annually.

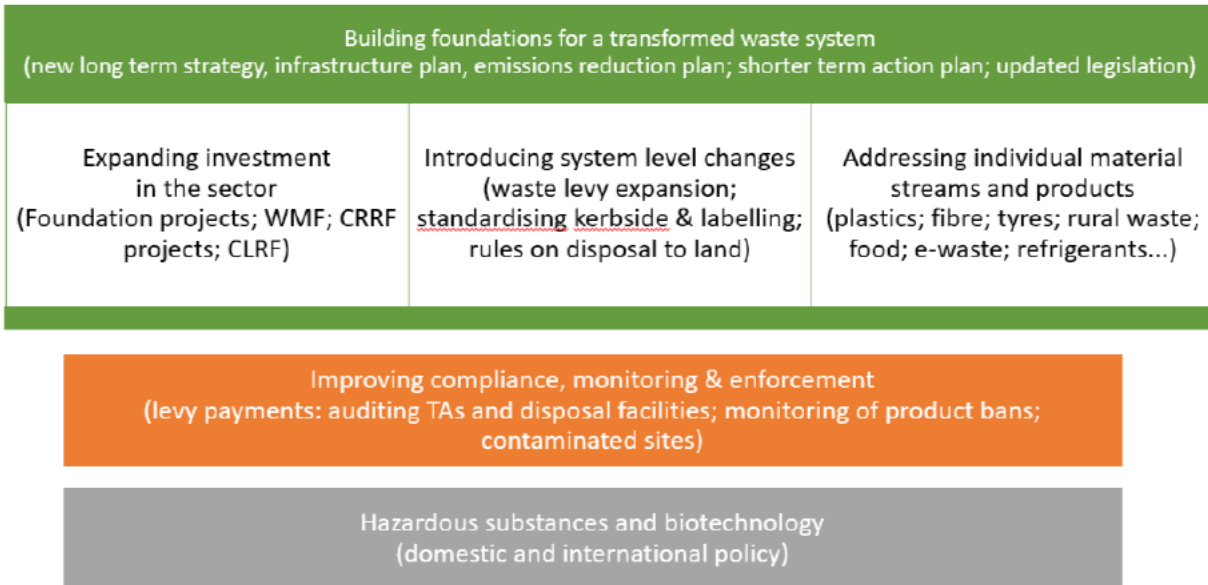
<sup>2</sup> Grant Thornton, 2020

- change how we manage those resources and materials across their life, by increasing reuse as well as materials recovery and recycling
- better manage the end of life and eventual disposal of residual waste

## Overview of work programme

- The internationally recognised waste hierarchy is useful for understanding where to prioritise our effort in tackling the waste challenge. The least favoured practices for dealing with waste are at the bottom (eg, disposal to landfill), practices like reuse and recycling are in the middle, and reduction in consumption of materials and generation of waste are at the top, as the most favourable.
- There has been a significant growth in the Government's waste and resource efficiency work programme over the last few years.
- This work programme expansion has been weighted towards the centre of the waste hierarchy – initiatives intended to increase incentives, requirements and our capacity to recover/re-use materials and lift recycling performance. These initiatives have included:
  - strengthening incentives and requirements via expansion of the waste levy, investigating a container return scheme, and regulated product stewardship
  - improving systems to clean up materials streams, make recycling easier and more cost-effective (eg, phasing out hard-to-recycle plastics, kerbside system improvements), and
  - investing in resource recovery infrastructure (eg, Waste Minimisation Fund, Covid Response and Recovery funded projects, and planned future use of increased levy funds).
- Longer term, it will be important to expand our work programme to also address challenges and opportunities towards the top and bottom of the waste hierarchy. For instance:
  - At the top end of the hierarchy we need to find ways to change behaviour so we use fewer resources and avoid creating waste in the first place (eg, innovation in design, manufacture and supply chains, public information and awareness campaigns).
  - Towards the bottom end of the hierarchy, there is still work and investment required to address the environmental risks of vulnerable landfills, strengthen the regulatory / liability framework for contaminated sites and hazardous substances, and investigate the potential of new technologies as an alternative to landfill.
- The main elements of the current work programme are summarised overleaf, and set out in more detail in Appendix 1.





### Early Priorities – key papers and decisions

Issue or event	Lead agency	Further information
Report back to Cabinet on expanded waste levy regime	MfE	Paper to cover confirmation of timing for levy expansion, progress and plans for implementation of expanded charges and related system changes: <ul style="list-style-type: none"> <li>• development of new national waste strategy</li> <li>• updated legislation</li> <li>• long term infrastructure plan</li> <li>• initial (transition) action plan</li> <li>• future institutional arrangements</li> </ul>
Waste levy expansion regulations	MfE	Regulations setting new levy rates to LEG, Cabinet, Executive Council
Container Return Scheme next steps	MfE	Decisions on next steps, based on results of co-design process and technical advisory group advice
Plastics work programme	MfE	Decisions on next steps after consultation, and related workstreams arising from <i>Rethinking Plastics</i> report prepared by the PM's Chief Science Advisor. Advice on proposed Plastics Innovation Fund.
Product stewardship	MfE	Decisions on next steps and priorities for implementing schemes for priority products
Kerbside recycling collection systems	MfE	Decisions on next steps and a roadmap for harmonising kerbside recycling systems
Basel and Stockholm Convention obligations	MfE	Both require regulations to be approved by Cabinet and Executive Council before the end of 2020
Outstanding Decisions on Waste Minimisation Fund	MfE	Project funding decisions from the 2020 WMF funding round

12. The Tiwai Point aluminium smelter is also likely to require a ministerial or Cabinet decision within the next few months, including decisions related to site remediation. Decisions are likely to be made jointly with the Ministers of Environment, Finance and Energy.

### Longer-term work programme and decisions

13. Beyond these early priorities, there is a very substantial work programme involving:

- Implementing the expanded levy charges (including identifying, classifying and equipping landfills coming into the levy system for the first time)
- Developing proposals on a new waste strategy and updated legislation for consultation in mid-2021 (aiming for new strategy by end 2021 and legislation going through Parliament in 2022)
- Developing a Long Term Infrastructure Plan for recycling and resource recovery infrastructure to guide investment and support the new strategy (based on a national stocktake and gap analysis currently underway)
- Deciding what institutional changes may be needed in future to support the enhanced and expanded waste system – e.g. would the increased funding be administered by Ministry for the Environment?
- Increasing Compliance Monitoring and Enforcement activity alongside increased use of regulatory tools and bedding in new operational systems (eg, landfill database)
- Finalising regulatory proposals for new waste and recycling data requirements (report due to Cabinet March 2021)
- Oversight of Covid Response and Recovery Fund investments (\$124M), ongoing WMF investments, transition to the new waste levy investment regime
- Advice on the \$50M Plastics Innovation Fund as proposed in the Labour Party manifesto
- Delivery and implementation of several new mandatory product stewardship schemes, and advice on a Container Return Scheme (which is likely to require legislation)
- Working with the sector to implement decisions on phasing out products including hard to recycle plastics (links to investment priorities, innovation)
- Working with local government and the sector to produce a roadmap for moving to standardised systems for kerbside recycling collections
- Policy has been agreed on improvements to the assessment and reassessment process for hazardous substances (legislative amendments are to be drafted). The improvements will enable the EPA to make greater use of overseas data and information
- Confirming work to improve liability regime to reduce the likelihood of abandoned contaminated sites.

### Interlinkages

14. We engage constantly with others working on related issues, across MfE and other agencies.

#### Related workstreams within MfE

- Resource Management Act reform, including the proposed Strategic Planning Act to integrate regional spatial planning, urban growth and infrastructure planning
- Information, data, evaluation and reporting workstreams across MfE as a whole

- Work to prepare an Emissions Reduction Plan to respond to the Climate Change Commission's eventual advice, which will include sections on landfill emissions and refrigerants.

### **Cross-agency linkages**

- Climate Change Commission work on emissions targets
- Food waste, as an aspect of New Zealand's food system (Ministry of Primary Industries work) and food security (various agencies)
- Farms and primary production supply chain (food waste, plastics, agrichemicals, tyres)
- Waste from construction and development, including government procurement systems for infrastructure projects (an opportunity to require/encourage changes in practice)
- Work across government on circular economy concepts (the Ministry for Business, Innovation and Employment has been convening cross-agency discussions)
- International linkages, especially multilateral environmental agreements (with Ministry for Foreign Affairs and Trade, Environmental Protection Authority and Ministry for Business, Innovation and Employment)
- Readiness to support COVID-19 response efforts, given that waste and recycling services are essential services during periods of emergency management but are easily disrupted.

### **Key stakeholders**

15. We engage with stakeholders throughout New Zealand as often and widely as we can to ensure our work is nationally considered, well-connected and practical. Across the many different projects, we engage in a range of ways, including working groups, workshops, advisory groups and contracted specialist expertise. We are building our ability to work collaboratively with iwi/Māori on key initiatives and projects, for instance through the new waste strategy.

16. Key stakeholders include:

- Local Government NZ
- Waste Advisory Board established to provide independent advice to the Minister
- Waste Management Institute of New Zealand (WMINZ)
- Waste Management Industry Forum
- Packaging Council NZ
- Packaging Forum NZ
- NZ Product Stewardship Council
- Plastics NZ
- Food and Grocery Council
- NZ Beverage Council
- Sustainable Business Network
- ZeroWaste Network

## Key risks and opportunities

### *Opportunities*

17. Three main factors are creating a significant opportunity and momentum for change:
  - There is a high degree of public interest in tackling waste, creating pressure on businesses and others to respond.
  - The waste and resource recovery sector is struggling, as shown by the difficulties encountered during the major COVID-19 lockdown in March-April 2020. The sector is asking central government to lead change.
  - Increased revenue from the expanded waste levy can be leveraged to fund transformational change. It is forecast to increase from approximately \$30m per year to approximately \$275 million a year once it is fully in place in July 2024.
18. The widespread uptake of reusable shopping bags instead of single use plastic bags showed the willingness of the public to change patterns of consumption. There is considerably more room to change behaviour with the right mix of regulatory, financial, enabling and information-based interventions.
19. The result is a significant opportunity for central government to take a leadership role. The work needs to begin with the development of a clear and broadly supported plan for change, to provide some certainty for planning and investment decisions across the sector and because we need to mobilise and partner with local government, the commercial and community sectors to make any changes happen.

### *Risks*

20. The change agenda over the next 2-3 years is complex and large. We are moving on many fronts at once, including strategic, legislative, operational, institutional, and investment changes, under compressed timeframes and with a lot of interdependencies.
21. Yet there is also always pressure to do more, especially when new waste issues attract public attention. Prioritising the work can be challenging and perceived lack of action in some areas can create disillusionment or disengagement.
22. There is potential for future decisions to disrupt some existing markets and business models. For example, this may result from regulatory decisions (eg, phasing out products, increasing costs through product stewardship obligations, the possible introduction of a container return scheme), or from decisions to invest in resource recovery infrastructure of a particular type or in a particular place. Good engagement and clear signalling of potential change can help give markets and businesses time to adapt.
23. In addition, implementing any significant change relies on delivery by both the commercial and local government sectors which carry most of the direct responsibility for services. We therefore need to engage closely with a large number of (often competing) organisations as we develop change, and try to achieve a reasonable measure of consensus. This can take considerable time, effort and resource. While the resource recovery sector is evolving and growing and most agree it needs to do so quickly, often stakeholders do not agree at a more detailed level about how this change should happen.

## Next steps

24. We look forward to engaging with you on the work programme in more detail across the coming period. We will work with your office to arrange times for more in-depth discussions on individual priority topics.

**Signature**

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Glenn Wigley  
**Director- Policy and Regulatory, Waste and Resource Efficiency**

Hon David Parker  
**Minister for the Environment**

**Date**

## Appendix: Main elements of the WRE work programme

<b>Group</b>	<b>Project</b>
1. Building the foundations for a transformed waste system	
2. Expanding investment in the sector	2.1 Streamlining and strengthening Waste Minimisation Fund processes and maximising effectiveness of its funding, as increased levy amounts start to become available
	2.2 The package of initial investments in resource recovery infrastructure approved under the CRRF will roll out across 2020-21
	2.3 The Contaminated Sites Remediation Fund continues, alongside consideration of how new legislation could enable future levy funds to be used to support this area of work
3. Introducing system level changes	3.1 Expansion of the waste levy: Working with relevant stakeholders to address remaining policy questions and practical implementation; preparing regulations; identifying and classifying landfills to be brought into the system; developing proposals for new data requirements. (Changes to be phased in 2021-2025)
	3.2 Standardising kerbside recycling: Report with proposals for how to standardise kerbside collections is currently out for public comment.
	3.3 Standardising recycling labelling on packaging, so it is easy for consumers and businesses to do the right thing
4. Addressing individual material streams and products	4.1 Plastics: developing a specific action plan on how to phase out hard to recycle plastics; implementing the Basel Convention on controlling international trade of mixed, low value plastic waste; improving data on plastics; research agenda; education initiatives; public agency procurement guidelines; and other initiatives
	4.2 Tyres: Introducing a mandatory product stewardship scheme so suppliers take whole of life responsibility, and finalising the NES on outdoor storage of tyres for implementation in 2021
	4.3 Rural waste: Introducing mandatory product stewardship schemes for agrichemicals and farm plastics; links to work on freshwater farm plans and
	4.4 E-waste: Introducing mandatory product stewardship scheme(s) so suppliers take whole of life responsibility
	4.5 Refrigerants and other GHGs: Introducing a mandatory product stewardship scheme so suppliers take whole of life responsibility
	4.6 Beverage containers:
	4.7 Food waste: ongoing work with other agencies on the food system and food security
	4.8 Fibre: we are investigating options for processing paper and cardboard in light of the challenges created by volatile international markets and our lack of domestic processing capacity (links to strategy and infrastructure plan)
	4.9 Hazardous chemicals: ongoing work to implement restrictions on newly listed chemicals under the Stockholm Convention and