



2021 Waste Minimisation Fund applications seeking funding over \$1 million

Date Submitted:	30 September 2021	Tracking #: BRF-649	
Security Level	Policy and Privacy In-Confidence	MfE Priority:	Not Urgent

	Action sought:	Response by:
Hon David PARKER, Minister for the Environment	Provide decisions on WMF applications seeking over \$1 million in funding.	

Actions for Minister's Office Staff	<p>Meet with Ministry officials to discuss the briefing and record your funding decisions</p> <p>OR</p> <p>Return the signed report to MfE</p>
Number of appendices and attachments #2	<p>Titles of appendices and attachments</p> <ol style="list-style-type: none"> Gazetted criteria for the Waste Minimisation Fund Table of WMF applications seeking over \$1 million

Key contacts

Position	Name	Cell phone	1st contact
Principal Author	Linda MacManus		
Responsible Manager	Lara Cowen	022 0246879	
Director	Shaun Lewis		✓

2021 Waste Minimisation Fund applications

Key Messages


1. You can approve funding for any project that promotes or achieves waste minimisation. You must consider the gazetted criteria (Appendix 1) when deciding whether to approve funding of a project.
2. On 30 April 2021 you delegated the approval of funding for projects receiving up to and including \$1 million to any person acting as the Chief Executive of the Ministry for the Environment.
3. The 2021 WMF funding round opened for expressions of interest on 30 April 2021 and ran for three weeks. From 221 eligible expressions of interest, 45 were invited to application stage which opened on 22 July 2021 and closed on 12 August 2021.
4. Construction and demolition waste, organic waste, and food waste were important strategic outcomes for the 2021 WMF funding round as agreed with you in briefing 2021-B-06378 in April 2021.
5. Of the 41 applications received in the 2021 funding round, four are requesting over \$1 million in funding.
6. We seek your funding decision on these four applications.
7. Briefing BRF-692 will update you on the remaining 37 applications seeking funding under \$1 million.

Recommendations

We recommend that you:

- a. **Meet** with officials to discuss the four applications over \$1 million
- OR
- b. **Record** your decision (approve or decline) in Appendix 2 against each of the four projects seeking over \$1 million application
 - c. **Note** that briefing BRF-692 will update you on the remaining 37 applications seeking funding under and up to \$1 million.

Signature

<p>Shaun Lewis Director - Systems Change and Investment Waste and Resource Efficiency</p>	
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Classification

Hon David PARKER, Minister for the Environment	
[Date field]	



Purpose

2. The purpose of this briefing is to seek your decision on the four WMF applications requesting over \$1 million in funding from the 2021 WMF funding round.
3. Ministry officials will meet with you during policy meeting on 21 October 2021 to discuss the briefing and answer any questions you may have. An earlier meeting can be held with you via Zoom during recess if scheduling allows.

Context

4. Section 38 of the Waste Minimisation Act 2008 (the Act) enables you to approve funding for any project to promote or achieve waste minimisation. Section 38(3)(a) requires you to consider the gazetted criteria (Appendix 1) when deciding whether to approve funding of a project.
5. On 30 April 2021 you delegated the approval of funding for projects receiving up to and including \$1 million to any person acting as the Chief Executive of the Ministry for the Environment. Briefing BRF-692 will update you on the applications seeking funding up to and including \$1 million.
6. 221 Expressions of Interest, requesting a total of over \$150 million in WMF funding, were received in May 2021. Approximately \$12.4 million was available. Of these 221, 45 were invited to submit full applications. 41 applications were received and have been assessed by the WMF Assessment Panel (the Panel). Of these 41 applications, four were seeking funding of over \$1 million. We are seeking your decision on these four applications (Appendix 3).
7. The Panel have recommended that you approve funding for the Porirua City Council application. The Ministry support this recommendation. funding.

8. **Out of scope**

9. **Out of scope**

10. The following strategic outcomes and investment signals for the 2021 WMF funding round as set by you in 2021-B-06378 in April 2021 are as follows:

Table 1: 2021 WMF Strategic outcomes and Investment signals

Strategic outcomes	Investment signals
Reduce construction and demolition waste	<ul style="list-style-type: none"> • Re-design construction and demolition materials, products and services to facilitate reduce/reuse of resources • Improve and enable public and private construction and demolition materials resource recovery services and infrastructure.

Achieve beneficial outcomes for organic waste

- Improved tools to avoid food waste such as data & analysis and practical resources to inform effective behaviour change
- Increase domestic capacity of existing food rescue organisations
- Support primary and processing sectors in re-design of materials, products and services to minimise organic waste.

Analysis and Advice

11. The Panel has recommended that you approve Porirua City Council's application for a construction and demolition waste facility in Porirua, also servicing Kapiti and Hutt City. Feasibility and business case work, partially funded by WMF, is complete and verifies the opportunity, and New Zealand needs construction and demolition processing infrastructure. The Ministry support this recommendation.

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Out of scope

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Out of scope

Consultation and Collaboration

17. All applications were assessed by the WMF Independent Panel comprised of 5 external members and one Ministry for the Environment representative. Subject matter experts from within the Waste and Resource Efficiency directorate were also consulted.

Risks and mitigations

18.

Table 2: Risks and mitigations

Risk	Mitigation
Unsuccessful projects do not agree with decision	<ul style="list-style-type: none"> An external assessment panel (the Panel) evaluates all applications The Ministry provides clear feedback to projects on why they were unsuccessful and, where appropriate, offer support to reapply or seek alternative funding
Insufficient funds to support all projects of value	<ul style="list-style-type: none"> Recommendations are based on what is currently available within the WMF. Where appropriate the Panel has opted to recommend a lower WMF amount to more projects and request a greater co-funding portion

Approved projects are not successful	<ul style="list-style-type: none"> The Panel has evaluated all applications and made recommendations for funding and any conditions of funding deemed appropriate
The Ministry is recommending a project that was not recommended by the Panel	<ul style="list-style-type: none"> Subject matter experts from the Ministry have thoroughly reviewed the application and have spoken to the applicant to address the concerns raised by the Panel. It is not uncommon for the Minister for the Environment to approve funding for projects that have not been recommended by the Panel.

Legal issues

- Section 38 of the Waste Minimisation Act 2008 (the Act) enables you to approve funding for any project to promote or achieve waste minimisation.
- Section 38(1) of the Act requires you to be satisfied that the project will promote or achieve waste minimisation.
- Section 38(3)(a) requires you to consider the gazetted criteria (Appendix 1) when deciding whether to approve funding of a project.

Financial, regulatory and legislative implications

- There are no regulatory or legislative implications.
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Table 3: WMF funds available and recommended funding allocation

Description	Value
Recommended projects (over \$1 million)	\$3,280,028
Recommended projects (under and up to \$1 million)	\$8,311,858
Out of scope	
Total recommended funding	\$12,391,886
Available WMF funds for 2021 funding round	\$12,400,000

Next Steps

- Following your decisions on the individual applications (refer Appendix 2), we will contact the successful organisations to advise them of the funding decision and to confirm their intention to enter into Deed negotiations and Due Diligence checks for securing WMF funding.

25. The WMF team will provide successful organisations with any relevant feedback or conditions of funding which will need to be addressed in their Deed negotiations.
26. We will also advise unsuccessful applicants of the outcome of their applications together with feedback provided by the Panel.
27. Provided funding decisions are made by 21 October 2021, then we expect 80% of projects to have signed a Deed of Funding and have commenced their projects by early April 2022 which is within five months of submitting their confirmation of intent to proceed.

Appendix 1: Criteria for the Waste Minimisation Fund

Purpose of the Fund

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

Lifting our performance in recovering economic value from waste also provides environmental, social and cultural benefits and reduces the risks of harm from waste. This will require investment in infrastructure and systems for waste minimisation and developing educational and promotional capacity. The purpose of the fund is to provide some of the funding to ensure that this occurs.

Eligibility criteria

1. Only waste minimisation projects are eligible for funding. Projects must promote or achieve waste minimisation. Waste minimisation covers the reduction of waste and the reuse, recycling and recovery of waste and diverted material.
2. Projects must promote or achieve new waste minimisation activity, either by implementing new initiatives or a significant expansion in the scope or coverage of existing activities.
3. Funding is not for the ongoing financial support of existing activities, nor is it for the running costs of the existing activities of organisations, individuals, councils or firms.
4. Projects should be for a discrete timeframe of up to three years, after which the project objectives will have been achieved and, where appropriate, the initiative will become self-funding.
5. Funding can be for operational or capital expenditure required to undertake a project.
6. For projects where alternative, more suitable, Government funding streams are available (such as the Contaminated Sites Remediation Fund or research funding from the Ministry of Business, Innovation and Employment), applicants should apply to these funding sources before applying to the Waste Minimisation Fund.
7. The applicant must be a legal entity.
8. The fund will not cover the entire cost of the project. Applicants will need part funding from other sources.
9. The minimum grant for feasibility or scoping studies will be \$10,000.00. The minimum grant for other projects will be \$50,000.00.

Scope

10. The scope of the fund includes, but is not limited to:
 - educational projects that promote waste minimisation activity;
 - projects that address litter;
 - projects focused on gaining an understanding of existing waste quantities and composition, behaviour, or economic incentives, as a precursor to effectively

reducing waste and/or increasing reuse, recycling, and recovery of waste materials;

- the design of targeted product stewardship schemes to promote and achieve waste minimisation in line with the Ministry's strategic priorities.

Assessment criteria

Project benefits

11. Preference will be given to projects that help achieve the strategic outcomes identified by the Ministry for the Environment from time to time (if any).
12. Preference will be given to projects that collectively give the largest net benefit over time. The assessment of the effectiveness of projects will include the extent to which the projects can demonstrate:
 - likelihood of success;
 - reduction of harm to the environment;
 - reduction in the volume of waste disposed of;
 - economic, environmental, social or cultural benefits;
 - longer term benefits after the completion of the project;
 - alignment to waste minimisation activities with outcomes consistent with the circular economy concept;
 - consideration of climate change impacts arising from waste-related activities.
13. Projects will be assessed for their strategic value in achieving the purpose of the fund. Strategic value means the likely ability of projects to act as catalysts that enhance and extend the uptake of waste minimisation.
14. Consideration will be given to projects that are implementing one or more of the most recently published recommendations of the review of the waste disposal levy carried out under section 39 of the Waste Minimisation Act 2008.
15. The degree of partnership and cross-sectoral collaboration will be taken into account in assessing the strategic value of proposals.
16. The level of funding from other sources will be taken into account. Shared funding is preferred.

Project delivery

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

Appendix 2: Table of WMF applications seeking over \$1 million

Project details	Panel comments	Panel recommendation	Minister's decision
<p>Applicant: Porirua City Council (PCC)</p> <p>Location: Porirua</p> <p>Project name: Construction and Demolition Programme – Porirua, Kapiti and Hutt Cities</p> <p>Total Project cost: \$13,010,000</p> <p>Funding requested: \$2,053,838</p> <p>Project description:</p> <p>PCC are developing three Resource Recovery Parks with a specialist Construction and Demolition (C&D) waste diversion facility that services Porirua, scaled up to support Hutt City and Kapiti.</p> <p>Stage 1 of this project was a business case funded partly through the WMF in 2020. The business case is derived from comprehensive assessments carried out by a large team of Council staff, stakeholders and consultants.</p> <p>There are eight reports setting out all aspects necessary to develop, and successfully run a construction and demolition facility and supporting hubs. Reports cover materials composition, markets, business model, labour market analysis, financial feasibility, site selection, relationships to Resource Recovery Hubs.</p> <p>Funding will allow PCC to build a C&D facility, processing capability, markets and develop a network of relationships, enabling services to a greater number of developers and manufacturers. Staging the operation is necessary to manage market availability.</p>	<p>C&D Resource Recovery Hub for Porirua, Hutt City, Kapiti Coast and Kainga Ora. A lot of work has been done around feasibility and business case.</p> <p>The business case was previously funded via the WMF and appears comprehensive.</p> <p>New Zealand is in need of C&D processing infrastructure, and the collaboration with Kainga Ora locally could set a standard for national Kainga Ora builds that catalyses a shift in this sector away from linear disposal.</p>	<p>The application is recommended for funding as presented conditional to:</p> <ol style="list-style-type: none"> 1. Funding approved for 75% of capex up to a maximum of \$1,500,000 in relation to the Porirua hub. 2. Funding approved for 75% of capex up to a maximum of \$553,838 contribution in relation to the Hutt Valley and Kapiti hubs. <p>For noting:</p> <p>The Ministry support the Panel recommendation to approve funding for this application.</p>	<p><input type="checkbox"/> APPROVE and agree with Panel recommendation</p> <p>Or</p> <p><input type="checkbox"/> DECLINE the application</p>

Out of scope

Project details	Panel comments	Panel recommendation	Minister's decision
<h1>Out of scope</h1>			

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Out of scope

