



S9(2)(a)

Dear S9(2)(a)

Thank you for your email of 13 September 2022 to the Ministry for the Environment (the Ministry) requesting the following under the Official Information Act 1982 (the Act):

*For the time period 2017-2022:*

**National Plastic Action Plan**

1. *All briefings, advice (including by email) and Cabinet Papers on the National Plastic Action plan and its implementation.*
2. *Does the government have any measurable objectives and a quantitative baseline in relation to phasing out hard-to-recycle and single-use plastics? And if yes, what are they?*
3. *What proportion of the total amount of hard-to-recycle and single-use plastics in Aotearoa New Zealand is the government currently phasing out, or has plans to phase out?*
4. *What proportion of the total amount of hard-to-recycle and single-use plastics in Aotearoa New Zealand is there no plans to phase out?*
5. *What proportion of all plastic in Aotearoa New Zealand, by year for the period 2017- 2022 is: a) recycled onshore, b) sent overseas and c) sent to landfill in New Zealand.*
6. *For each phase/tranche of the phase out of certain hard-to-recycle and single-use plastics, how much in weight of plastics will no longer go to landfill (compared to the amount of plastic already going to the landfill) by year for 2017-2022.*
7. *All briefings, advice (including by email) and Cabinet Papers on building recycle facilities in Aotearoa to recycle plastics.*
8. *How much onshore capacity by volume to recycle plastic has increased in Aotearoa since 2017?*
9. *All briefings, advice (including by email) and Cabinet Papers on a container return scheme for beverage containers.*

**New Plastics Economy Global Commitment – Global declaration to cut plastics.**

1. *Does the government have any quantifiable targets and a quantitative baseline in relation to the following (from the New Plastics Economy Global Commitment):*
  - *Eliminate: problematic or unnecessary plastic packaging and move from single-use to reuse packaging models*
  - *Innovate: to ensure 100% of plastic packaging can be easily and safely reused, recycled, or composted by 2025*
  - *Circulate: the plastic produced, by significantly increasing the amounts of plastics reused or recycled and made into new packaging or products*

2. If yes to the above, what are the quantifiable targets and quantitative baselines, and what progress has been made from 2019 to the latest date you have data for.

### **Global Plastics Treaty**

1. All advice on the Global Plastics Treaty provided to MFAT. I understand that there are gaps in the available data in relation to plastic waste in Aotearoa New Zealand. If MfE does not hold the information, can you please provide your best estimates.

### **Clarification of your request**

The Ministry contacted you on 22 September 2022, 3 October 2022, and 10 October 2022 to clarify parts of your request. In response to the Ministry's requests for clarification, you confirmed:

By advice you mean advice provided to the Minister for the Environment by the Ministry.

Under the heading *National Plastic Action Plan*

Point 1:

- you are seeking information on the National Plastic Action Plan as a whole,
- by implementation, you mean any advice about whether the plan actions have been achieved.

Point 7:

- you are seeking information about facilities that recycle plastic,
- you are interested in whether the government has been considering providing support for such facilities, how much capacity there is recycle plastic in Aotearoa, and what plans, if any, there are to increase recycling plastic in Aotearoa.

Point 9:

- you are seeking titles of all briefings, substantive advice (including by email) and Cabinet Papers on a container return scheme for beverage containers, since 2017.

Under the heading *Global Plastics Treaty*

You wish to withdraw this part of your request and will, in the first instance, review information that will be proactively released on this topic.

### **Response to your request**

I have sectioned out your request and my responses below:

#### **National Plastic Action Plan**

##### **1. All briefings, advice (including by email) and Cabinet Papers on the National Plastic Action plan and its implementation**

The Ministry has identified one document, *BRF-177 Finalising a National Plastics Action Plan*, in scope of this part of your request. Please find a copy of this document enclosed. Some information contained in this document has been refused under section 18(d) of the Act as the information is publicly available. This information can be found at:

[Government-response-to-the-Rethinking-Plastics-report.pdf \(environment.govt.nz\)](#)

**2. Does the government have any measurable objectives and a quantitative baseline in relation to phasing out hard-to-recycle and single-use plastics? And if yes, what are they**

Due to the lack of data on hard-to-recycle and single-use plastics in Aotearoa New Zealand, there are no measurable objectives for the phasing out of these plastics. However, the government has the below policy objectives:

**Main policy objective:** reduce the impact on New Zealand's resource recovery system and the environment from hard-to-recycle plastic packaging, and single-use plastic items.

**Secondary policy objectives:**

- lower risk of environmental damage through reduced litter and improved waste management
- less contamination in the recycling stream, so high-value materials like PET can be recycled rather than sent to landfill
- increasing the uptake of high-value packaging materials (PET, HDPE and PP)
- improving the recyclability of plastic packaging
- encouraging reuse
- improving public understanding
- create positive behaviour change as businesses and individuals look for more sustainable alternatives including reusable options.

For further information on these policy objectives, please see the [Regulatory Impact Statement](#).

**3. What proportion of the total amount of hard-to-recycle and single-use plastics in Aotearoa New Zealand is the government currently phasing out, or has plans to phase out?**

Due to the vast amount and types of hard-to-recycle and single-use plastics in Aotearoa New Zealand, the Ministry does not hold data on the total amount of these plastics. For this reason, I must refuse this part of your request under section 18(e) of the Act, as the information you have requested does not exist.

The [Regulatory Impact Statement](#) provides estimate volumes of some single-use plastic items being phased out, which may be of use to you.

**4. What proportion of the total amount of hard-to-recycle and single-use plastics in Aotearoa New Zealand is there no plans to phase out?**

As outlined above, the Ministry does not hold data on the total amount of hard-to-recycle and single-use plastics in Aotearoa New Zealand. Consequently, I must refuse this part of your request under section 18(e) of the Act, as the information you have requested does not exist.

It may be of interest to you to know that Plastic types 1 (PET), 2 (HDPE) and 5 (PP) have onshore recycling capability and good offshore recycling markets. For this reason, there are no immediate plans to phase out these plastics (unless they are captured by the bans on

single-use items), and the Ministry is designing kerbside collection systems to collect and recycle these plastics.

**5. What proportion of all plastic in Aotearoa New Zealand, by year for the period 2017- 2022 is: a) recycled onshore, b) sent overseas and c) sent to landfill in New Zealand.**

In response to parts a) and c), due to the vast amount and types of plastics in Aotearoa New Zealand, the Ministry does not hold data on the amount of all plastics recycled onshore or sent to landfill. For this reason, I must refuse this part of your request under section 18(e) of the Act, as the information you have requested does not exist.

However, the report [Rethinking Plastics in Aotearoa, New Zealand](#), published by the Office of the Prime Minister's Chief Science Advisory in December 2019, estimates 8,000 – 12,000 tonnes of plastic waste are recycled onshore annually, and 380,000 tonnes of plastic waste are disposed of in landfills in Aotearoa New Zealand.

In response to part b), specific data on waste exported from Aotearoa New Zealand is publicly available on Stats NZ's InfoShare tool: [Infoshare | Stats NZ](#). Consequently, I must refuse this part of your request under section 18(d) of the Act as the information you have requested is publicly available.

**6. For each phase/tranche of the phase out of certain hard-to-recycle and single-use plastics, how much in weight of plastics will no longer go to landfill (compared to the amount of plastic already going to the landfill) by year for 2017-2022.**

Due to the vast amount and types of hard-to-recycle and single-use plastics in Aotearoa New Zealand, the Ministry does not hold data on the weight of plastics that will no longer go to landfill as a result of the phase outs. Consequently, I must refuse this part of your request under section 18(e) of the Act, as the information you have requested does not exist.

**7. All briefings, advice (including by email) and Cabinet Papers on building recycle facilities in Aotearoa to recycle plastics.**

The Ministry has identified seven documents in scope of this part of your request:

One document, including the document title, has been withheld in full under section 9(2)(b)(ii) of the Act as the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.

Please find enclosed a copy of the other six documents as listed in Appendix 1 - Document schedule.

One document, *BRF-279 - Event note – Visit to the Visy Auckland Materials Recovery Facility (MRF)*, is being released to you in full.

Some information contained in the remaining five documents has been withheld under section 9(2)(b)(ii) of the Act as the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.

**8. How much onshore capacity by volume to recycle plastic has increased in Aotearoa since 2017?**

The Ministry is unable to calculate how much onshore capacity to recycle plastics has increased in Aotearoa New Zealand since 2017, as many investments in recycling infrastructure are still being delivered or are delivered by commercial entities. For this reason, I must refuse this part of your request under section 18(e) of the Act, as the information you have requested does not exist.

It may interest you to know, since 2017, the Ministry has invested \$54.8 million in plastic collection, sorting or recycling infrastructure via the Waste Minimisation Fund, Plastics Innovation Fund and the Covid-19 Response and Recovery Fund (CRRF) – Waste and Resource Recovery Initiatives funding.

#### **9. Titles of all briefings, substantive advice (including by email) and Cabinet Papers on a container return scheme for beverage containers**

The Ministry has identified 17 titles in scope of this part of your request. These titles are being provided to you in full, as listed in Appendix 2 - Title schedule.

#### **New Plastics Economy Global Commitment – Global declaration to cut plastics.**

- 1. Does the government have any quantifiable targets and a quantitative baseline in relation to the following (from the New Plastics Economy Global Commitment):**
  - Eliminate: problematic or unnecessary plastic packaging and move from single-use to reuse packaging models**
  - Innovate: to ensure 100% of plastic packaging can be easily and safely reused, recycled, or composted by 2025**
  - Circulate: the plastic produced, by significantly increasing the amounts of plastics reused or recycled and made into new packaging or products**
- 2. If yes to the above, what are the quantifiable targets and quantitative baselines, and what progress has been made from 2019 to the latest date you have data for.**

Although the Ministry is working towards developing targets and baselines regarding the New Plastics Economy Global Commitment, these targets and baselines have not yet been finalised.

You can see our Global Commitment 2021 Signatory report on the New Plastics Economy [here](#). New Zealand's 2022 reporting will be available soon.

In terms of section 9(1) of the Act, I am satisfied that, in the circumstances, the withholding of this information is not outweighed by other considerations that render it desirable to make the information available in the public interest.

You have the right to seek an investigation and review by the Office of the Ombudsman of my decision to withhold information relating to this request, in accordance with section 28(3) of the Act. The relevant details can be found on their website at:

[www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz).

Please note that due to the public interest in our work the Ministry for the Environment publishes responses to requests for official information on our [OIA responses page](#) shortly after the response has been sent. If you have any queries about this, please feel free to contact our Ministerial Services team: [ministerials@mfe.govt.nz](mailto:ministerials@mfe.govt.nz).

Yours sincerely,



Michelle Kazor

**Director - Waste Investment**

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### Appendix 1 - Document schedule

Document no.	Document date	Content	Decisions	OIA sections applied
1	27 August 2021	BRF-177 - Finalising a National Plastics Action Plan	Release in part	S18(d)
2	19 June 2020	2020-B- 06890 - Talking points for COVID-19 Response and Recovery Fund budget bid (Resource Recovery Infrastructure)	Release in part	S9(2)(b)(ii)
3	8 December 2020	2020-B-07430 - Covid-19 Response and Recovery Fund (CRRF) – Waste and Resource Recovery Initiatives update	Release in part	S9(2)(b)(ii)
4	15 February 2021	2021-B-07529 - Covid-19 Response and Recovery Fund (CRRF) - Waste and Resource Recovery Initiatives update	Release in part	S9(2)(b)(ii)
5	16 June 2021	BRF-279 - Event note – Visit to the Visy Auckland Materials Recovery Facility (MRF)	Release in full	N/A

6	22 October 2021	BRF-541 - Update on CRRF Resource Recovery Initiatives	Release in part	S9(2)(b)(ii)
7	25 August 2022	BRF-1599 - Update on the Covid Response and Recovery Fund for Waste and Resource Recovery	Release in part	S9(2)(b)(ii)

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## Appendix 2 – Container Return Scheme Title schedule

Document title no.	Document date	Document title
1	5 May 2019	2019-B-05412 - National Resource Recovery Task Force – work programme options following stakeholder feedback
2	25 October 2019	2019-B-06168 - Co-design project for a New Zealand Container Return Scheme – October 2019 update and project funding approval briefing
3	18 September 2020	2020-B-07166 - Container Return Scheme – Summary of Phase 1 Draft Design Process and Next Steps
4	9 December 2020	2020-B-07314 - Container Return Scheme – Overview and next steps
5	16 February 2021	2021-B-07615 - Aide Memoire - Slide pack for the Container Return Scheme (CRS)
6	1 April 2021	2021-B-07767 - Aide memoire - Slide pack for the Container Return Scheme: Scope of containers
7	22 April 2021	2021-B-07754 - Aide Memoire - Slide pack for the Container Return Scheme: Driving recovery
8	6 May 2021	2021-B-07928 - Aide Memoire - Slide pack for the Container Return Scheme: Options to increase away-from-home recovery of beverage containers and reduce litter
9	23 June 2021	BRF-162 - The option for a beverage container return scheme to increase resource recovery and reduce litter in Aotearoa New Zealand
10	23 June 2021	CAB-31 - The option of a beverage container return scheme to increase resource recovery and reduce litter in Aotearoa New Zealand
11	13 August 2021	BRF-202 - Driving recovery and proposed scope of containers within a New Zealand Container Return Scheme

12	13 August 2021	CAB-32 - Proposed scope of containers within a New Zealand Container Return Scheme
13	13 August 2021	CAB-29 - Driving Recovery within a New Zealand Container Return Scheme
14	16 December 2021	BRF-586 -Seeking Cabinet approval on a proposed container return scheme for Aotearoa New Zealand
15	16 December 2021	CAB-66 - Container Return Scheme for Aotearoa New Zealand: Public Consultation
16	10 March 2022	BRF-1290 - Event Pack - Transforming recycling public consultation
17	18 August 2022	BRF-1989 -Container Return Scheme - Consultation feedback and next steps



## Finalising a National Plastics Action Plan

Date Submitted:	27 August 2021	Tracking #: BRF-177	
Security Level	In-Confidence	MfE Priority:	Medium

	Action sought:	Response by:
Hon David Parker, Minister for the Environment	<p>Note that we have updated aspects of the Government response to <i>Rethinking Plastics</i> to reflect feedback received from stakeholders, and this information is presented in the National Plastics Action Plan</p> <p>Note that the Government already has significant work underway in the National Plastics Action Plan, and we will continue to work with agencies and stakeholders to progress actions in line with the indicated timing</p> <p>Agree for the Ministry to publish the National Plastics Action Plan</p>	10 September 2021

Actions for Minister's Office Staff	Return signed briefing
Number of appendices and attachments #2	Appendix 1: National Plastics Action Plan Appendix 2: August 2020 Government Response to <i>Rethinking Plastics</i>

### Key contacts

Position	Name	Cell phone	1st contact
Principal Author	Daisy Croft		
Responsible Manager	Stephen Goodman	021 238 5678	✓
Director	Shaun Lewis	021 238 5678	

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# Finalising a National Plastics Action Plan

## Key Messages

1. The purpose of this briefing is to provide you with a National Plastics Actions Plan (the Plan) in response to the *Rethinking Plastics in Aotearoa New Zealand* report (*Rethinking Plastics*) and the subsequent Government response. We seek your approval to publish the Plan on the Ministry for the Environment's website.
2. Since the Government response in August 2020, the Ministry has continued to progress work to lift Aotearoa New Zealand's waste performance and accelerate the transition to a low-carbon circular economy. Of note in 2021, we have brought forward action to stimulate investment through the Plastics Innovation Fund, and supported substantive decisions on the phase-out of hard-to-recycle and single use plastics.
3. The Plan (attached) provides the broad scope of the existing and planned work to tackle plastics in Aotearoa New Zealand. Publishing the Plan will make the Government's work visible and clearly shows the direction of travel, enabling industry and the public to understand and contribute to a sustainable plastics future.
4. The Ministry will drive the Plan together with industry, agencies and other stakeholders. We will also continue to identify opportunities and build connections with central government, local government, industry, research institutes and communities.
5. We do not consider that you need to take the Plan to Cabinet as it does not contain any new Government policy. In order to make way for a refreshed waste strategy, legislation and Emissions Reduction Plan chapter for waste, we recommend that the National Plastics Action Plan be placed on the Ministry website, as confirmation of the significant action on plastics that the Government has underway.



## Recommendations

We recommend that you:

- a. **Note** that we have updated aspects of the Government response to *Rethinking Plastics* to reflect feedback received from stakeholders, and this is presented as the National Plastics Action Plan

Yes/No

- b. **Note** that the Government already has significant work underway in the National Plastics Action Plan, and we will continue to work with agencies and stakeholders to progress actions in line with the indicated timing

Yes/No

- c. **Agree** for the Ministry to publish the National Plastics Action Plan

Yes/No

## Signature

Shaun Lewis Director Systems Change and Investment 27/08/2021	
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Hon David Parker, Minister for the Environment	
Date	

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## Purpose

1. This briefing provides you with the National Plastic Actions Plan (the Plan) which was developed as part of the Government's response to the *Rethinking Plastics in Aotearoa New Zealand* report (*Rethinking Plastics*), and seeks your approval to publish the Plan on the Ministry for the Environment's (the Ministry) website.

## The Government response to *Rethinking Plastics* committed to a National Plastics Action Plan

2. In December 2019, the Office of the Prime Minister's Chief Science Advisor released *Rethinking Plastics*. The report described the challenges for New Zealand's plastic system<sup>1</sup> and laid out an aspirational vision for Aotearoa in 2030 whereby New Zealanders are innovative world leaders in reducing plastic use and in limiting the amount of plastic found in the environment. The report makes 51 specific recommendations.
3. In August 2020, the Government released a response to *Rethinking Plastics*. The response noted that many of the recommended actions were already underway. In that, the Government committed to establishing a National Plastics Action Plan, and to progress or investigate the majority of the remaining recommendations set out in the report.
4. We already have a significant amount of work underway to progress the Plan, including:
  - banning single-use plastic shopping bags and phasing out other single-use items and hard-to-recycle plastics
  - decisions to introduce regulated product stewardship for six waste streams including tyres and plastic packaging
  - co-design of a potential container return scheme
  - establishing the Plastics Innovation Fund (PIF)
  - implementing the Basel Convention permitting system for the export of low-grade plastics
  - dedicating approximately \$100 million in investment for resource recovery infrastructure through the COVID-19 Response and Recovery Fund, including optical sorters to enable better separation of plastics.

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- Products are often not designed for reuse, repair and recycling
- Plastic that could be reused or recycled is going to landfill
- Our onshore and offshore recycling systems, infrastructure and practices do not meet our current needs
- Our data, research and evidence base for waste and resource efficiency needs improvement

5. Other aspects of the Plan are also underway, such as the development of options for kerbside recycling standardisation and supporting discussions for an international agreement to tackle marine plastic pollution.
6. In the August 2020 Government response, Cabinet agreed that we would test the planned actions relevant stakeholders to finalise the Plan. Since August 2020, general public and industry feedback received to the recent phase-out proposals and other engagement has identified the need for Government action on plastic to emphasise:
  - sustainability and lifecycle thinking: determining within a New Zealand context, plastics flows and environmental impact across the whole life cycle; and defining sustainable materials or systems, to better support decision-making about future use of plastics (or alternatives) and optimal waste systems
  - re-use: encouraging better uptake of reusable alternatives (eg reusable containers)
  - improving incentives to recycle/reprocess: considering measures to enable greater demand for recycled and reprocessed materials, to increase the viability of investment in such processes, while increasing the quality of recycling.

**The updated National Plastics Action Plan reflects feedback received**

7. The proposed Plan for publishing is attached at Annex 1. We updated the Plan to reflect the above feedback received, and added the PIF. We have consulted with the relevant government agencies and amended wording to reflect the current state of play.
8. The revised plan is digestible and action-oriented for the intended audience: key industry players and the general public. It is intended to provide a clear picture of the Ministry's work programme on plastics with indicative timing. We have also aimed to provide enough scope for actions to evolve and remain relevant until 2024, and to enable collaboration with stakeholders, government agencies and iwi/Māori on the delivery of certain actions.
9. The Plan responds to key challenges in the New Zealand plastics system. Each action in the Plan is designed to tackle one or more of the key challenges below.

*Less plastic*

Reduce the scale of New Zealand's plastic use to a sustainable level. This requires changing our collective behaviours and expectations.

*More circular*

Use plastic in ways that allow it to circulate around the economy. We need better systems in place to enable us to reuse and repair materials.

*Better for the environment*

Minimise plastic uses that are harmful to the environment and human health. This means we need to remediate damaged environments, and address the toxicity of plastic and harms from the physical build up of plastic in the environment.

10. The key differences between the August 2020 proposals and the updated Plan include:
  - adding the Plastics Innovation Fund

- giving a higher priority to actions such as developing Plastics Research Innovation and Investment Priorities and developing a New Zealand focused lifecycle assessment framework
- extending some timeframes, such as for increasing teacher resources and sector pilots, due to work on plastics phase-outs and the PIF, which has taken a higher priority
- refocusing the international actions to direct resources to discussions on a global agreement on marine plastic pollution.

**The Plan is consistent with domestic and international policy work and commitments**

11. As broader context for the Plan, at the national level the Government is focusing on refreshing its national waste strategy and legislation. As well as responding to the key challenges described above, the Plan is aligned with the targets under development in New Zealand's national waste strategy.
12. The Plan is also aligned with targets that New Zealand has committed to as part of the Ellen MacArthur Foundation *New Plastics Economy Global Commitment*. Governments around the world have committed to putting ambitious policies and (where relevant) measurable targets in place in order to realise and report tangible progress by 2025, in the following areas.
  - stimulating the elimination of problematic or unnecessary plastic packaging and/or products:
    - relevant action: phase out of six single-use items and certain hard-to-recycle plastics
  - encouraging reuse models where relevant, to reduce the need for single-use plastic packaging and/or products:
    - relevant actions: through Waste Minimisation Fund and PIF funded projects primarily, working with sectors to pilot different approaches to plastic reduction, as well as public campaigns to support implementation of key policies
  - incentivising the use of reusable, recyclable, or compostable plastic packaging:
    - relevant actions: container return scheme, regulated product stewardship, developing options for kerbside recycling standardisation and considering options for recyclability labelling
  - increasing collection, sorting, reuse, and recycling rates, and facilitating the establishment of the necessary infrastructure and related funding mechanisms:
    - relevant actions: Covid Response and Recovery Fund funding has been approved for infrastructure projects and optical sorters to enable better separation of plastic types
  - supporting social and behaviour change through strategic communication to address plastic pollution:

- relevant actions: supporting discussions on a global plastics treaty, existing behaviour change campaigns and ongoing work to identify where public awareness and behaviour change tools support outcomes and seek expertise to deliver

13. New Zealand is also part of the United Nations Environment Programme whose Ad Hoc Expert Group on Marine Litter and Microplastics concluded in 2020 that maintaining the status quo with regard to marine pollution and litter was not an option, and identified eight potential options to address plastic pollution. The next meeting of the United Nations General Assembly will consider the Expert Group's report and relevant global response options. International support is growing for a new global agreement on plastic pollution. A key element of a new global agreement may include facilitation of national action plans. The National Plastics Action Plan will therefore contribute towards any such agreement and requirements.

## Consultation

14. We have consulted with key government agencies on the Plan, including the Ministry for Foreign Affairs and Trade, Ministry for Primary Industries, Ministry for Business, Innovation and Employment, Department of Conservation, the Treasury, Statistics NZ and Te Puni Kokiri.
15. Ongoing engagement with agencies and key stakeholders will be a priority throughout the delivery of actions within the Plan and there will be further opportunities for these groups to provide feedback through the strategy and legislation development.

## Next steps

16. Subject to your agreement, the Ministry will publish the Plan and will drive the Plan together with industry, agencies and other stakeholders. We will also continue to identify opportunities and build connections with central government, local government, industry, research institutes and communities.
17. We will provide updates to you on progress against specific actions within the Plan as necessary.



## Annex 1: National Plastics Action Plan

S18(d)

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**Annex 2: August 2020 Government response to *Rethinking Plastics***

S18(d)

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[IN-CONFIDENCE]

## Talking points for COVID-19 Response and Recovery Fund budget bid (Resource Recovery Infrastructure)

Date Submitted:	19 June 2020	Tracking #: 2020-B- 06890	
Security Level	Budget-sensitive	MfE Priority:	Non-Urgent

	<b>Action sought:</b>	<b>Response by:</b>
To Hon Eugenie Sage, Associate Minister for the Environment	Use this information to support your discussions with other Ministers	None required

Actions for Minister's Office Staff	Return the signed report to MfE.
Number of appendices and attachments	1. Talking points for Covid-19 Response and Recovery Fund budget bid (resource recovery infrastructure)

### Ministry for the Environment contacts

Position	Name	Cell phone	1 <sup>st</sup> contact
Principal Author	Stephanie Hill	022 4930595	
Responsible Manager	Nicola White / Kathy Bass	022 017 3955 (Nicola) 022 012 0838 (Kathy)	✓
Director	Glenn Wigley	027 491 7806	

[IN-CONFIDENCE]

## Talking points for meeting with

## WasteMINZ

1. The purpose of this briefing is to provide you with some talking points to help you prepare for your meeting with Nic Quilty (CE) and Wayne Plummer (Chairman of the board) of WasteMINZ.
- 2.

### Recommendations

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3. We recommend that you:
  - a. **Note** this information is available to support discussions with Ministers about the COVID-19 Response and Recovery Fund (CRRF) budget bid for waste ("Resource Recovery Infrastructure")

### Signature

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*Electronically approved by Nicola White*

Nicola White  
Manager  
**Waste and Resource Efficiency**

Hon Eugenie Sage  
**Associate Minister for the Environment**

**Date**

## Appendix 1: Talking points for COVID-19 Response and Recovery Fund budget bid (Resource Recovery Infrastructure)

### Why investment is needed in the resource recovery sector

*Our current performance is poor and people are concerned*

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1. New Zealanders ranked waste as one of the three most important challenges facing our country in the next 20 years.<sup>1</sup> We have one of the highest rates of per capita waste disposal in the OECD, and low rates of recycling.
2. Increasing amounts of waste create risks for nature, human health and sustainable economic development and innovation, including direct and indirect effects of litter, illegal dumping, microplastics, tyre stockpiles, leaching, and greenhouse gas emissions.
3. However, we can reverse that position if we invest effectively and strategically. New and improving technologies mean that we have an opportunity to become a low emissions and low waste economy, with a world leading waste and resource recovery system.
4. Doing so will reduce environmental and social harms, while creating jobs across New Zealand.
5. More sustainable resource use will provide direct benefits to communities and local agriculture, and spur innovation that can unlock productivity gains.
6. We lack adequate onshore resource recovery infrastructure, which means that we:
  - waste large volumes of potentially valuable materials, and send them straight to landfill
  - collect materials for recycling in ways that substantially reduce its value (eg, glass mixed with paper in co-mingled kerbside collections)
  - rely heavily on sending waste overseas for recycling – even though this means we are vulnerable to losing markets because of border controls, volatile international markets, and changing standards in what importers will accept.

*COVID-19 has highlighted that our systems are not resilient*

7. COVID-19 reinforced that we are not resilient to shocks that may affect international recycling markets, and that our sorting and processing systems are often manual and outdated.
8. Without careful management, the post-COVID-19 economic stimulus efforts could make the overall waste situation worse, by substantially increasing the amount of construction and demolition waste being produced.
9. Local government has also urged the Government to use the COVID-19 crisis as an opportunity to change the way we deal with recycled materials in New Zealand.<sup>2</sup>
10. As Mayor Goff recently pointed out in his letter to the Prime Minister and other Ministers, “onshore processing not only creates the opportunity for local economic development, but it also gives integrity to New Zealand’s clean green image on which our exporters rely.”

**What the CRRF wave 3 bid includes**

*Accelerating the intended investment in resource recovery infrastructure*

11. A recent report by Grant Thornton assessed that New Zealand has a shortfall of \$2.1 to \$2.6 billion to build the waste and resource recovery infrastructure needed for a modern and fit-for-purpose system.

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<sup>1</sup> According to a 2018 survey by Colmar Brunton for Ministry for the Environment

[https://www.mfe.govt.nz/sites/default/files/media/About/Environmental\\_Attitudes\\_SEP\\_2018.pdf](https://www.mfe.govt.nz/sites/default/files/media/About/Environmental_Attitudes_SEP_2018.pdf).

<sup>2</sup> Including a letter from Phil Goff, Mayor of Auckland, to the Prime Minister dated 11 May 2020.

[IN-CONFIDENCE]

12. The Government has already signalled its intention to contribute to the needed investment through the additional funds that will be generated from the expanded waste levy recently approved by Cabinet.
13. However, that proposal would delay progress on building the needed infrastructure until towards the end of the decade (as levy funds will take a while to build up). Change is needed urgently now, since some councils are already sending resources like paper to landfill in the interim.
14. Ministers (Peters, Parker, Jane Frances on behalf of Minister Jones, Sage, and Fletcher Tabuteau MP) previously met in December and agreed to explore with Cabinet the idea of bringing forward expenditure on waste infrastructure from taxpayer funds to address our poor waste outcomes.
15. This bid takes forward that agreement and proposes that the Government invest in infrastructure now to accelerate the pace of change. This will also reduce some of the potential costs to businesses and households from a higher waste levy in the future, by giving them viable alternatives to reduce their waste sooner.
16. There is potential for this investment to be offset by levy funds over time, depending on future decisions about how levy funds can be spent.

*Tranche 1: investment ready initiatives around the country*

17. The bid is broken into a first tranche of **16 investment-ready initiatives (across 21 sites)** supported by comprehensive business cases (totalling **\$133.1 million of Crown contributions**), including:

- S9(2)(b)(ii) [REDACTED]
- community resource recovery facilities in Auckland, Tauranga and Dunedin
- waste to energy anaerobic digestion facilities to convert organic waste from agricultural and household sources into energy and other usable products (using well-established technologies widely used overseas)
- infrastructure upgrades for Material Recovery Facilities where recycling is sorted to improve the quality of recycling commodities (in Auckland, Canterbury, Hamilton, New Plymouth, Thames and Napier)
- equipment to improve management of agricultural silage waste plastic (in Northland, Bay of Plenty and Canterbury).

*Tranche 2: Equivalent projects around the rest of the country*

18. The second tranche includes funding for similar initiatives that are needed across New Zealand, but are not yet as fully developed as the proposals in tranche 1. We have identified potential for around 60 individual projects, which cover:

- construction and demolition waste
- plastics
- organic waste
- commercial/industrial waste
- improved kerbside collections
- weighbridges for improved waste data collection and monitoring.

19. This second tranche is needed to ensure we provide equitable support across our cities, towns and regions, and because nationwide investment is needed to achieve the step-change in waste and resource recovery that we need.

20. This is a **scalable package of up to \$812.4 million** (to be allocated based on applications from other territorial authorities and businesses).

### What are the expected benefits?

#### *More and better jobs around the country*

21. The proposed package of investments is scalable but if fully implemented could lead to 983 new FTE jobs during the construction phase, with a further 2,411 ongoing jobs around New Zealand. With improved technology and focus on resource recovery, these jobs would be more skilled and better paid than many current jobs in the sector, given that we are still heavily reliant on manual sorting and dumping and burning waste.

#### *A step-change in our resource recovery systems*

22. Increased investment in waste and resource recovery infrastructure would ensure that New Zealand emerges from COVID-19 with a world-leading resource recovery and recycling system, that would create ongoing jobs and incomes spread across New Zealand.
23. This investment will enhance the resilience of the waste management system, which is increasingly challenged by volatility in international markets, trade restrictions, and economic shocks.
24. A low waste economy is needed to achieve a low carbon economy, where we use resources in innovative ways that keeps them circulating in the economy instead of the old, out-dated 'take-make-dispose' model.

#### *Reduced emissions and other environmental benefits*

25. Changes to how we use resources can make direct savings in emissions (**5 per cent of New Zealand's emissions are from the waste sector**), as well as indirect savings from using materials in more efficient ways.
26. Waste infrastructure projects can also contribute to climate solutions in other sectors. Increasing the production and use of biogas for energy generation and industrial inputs reduces emissions across both sectors.
27. In addition to climate benefits, investment in organics collection systems and processing infrastructure will lead to the creation of locally-sourced and high-value organic fertilisers. This will reduce New Zealand's reliance on imported nitrate and phosphate-based fertilisers, and lead to greater onshore agricultural and horticultural resilience in the face of external supply disruptions or future economic shocks.
28. This is an important contribution to the Climate Change Commission's call to bring forward transformational investments and make a significant contribution towards reducing harmful emissions to the atmosphere and water.
29. The *Rethinking Plastics* report also included commentary and recommendations on the need for investment in more and better onshore processing facilities.

#### *Returns on investment*

30. Overseas experience indicates investment in waste and resource recovery infrastructure can have a high return on investment.
31. New Zealand's resource recovery sector has current annual turnover of approximately \$1 billion per year. Based on comparable economies overseas such as Australia, there is substantial potential to grow this further. New Zealand's waste sector as a whole currently employs around 20,000 people (in collection, processing, resource recovery and disposal). International evidence shows that reprocessing and reuse generate around five times as many employment opportunities as landfill disposal (per 10,000 tonnes of waste).

### **What about waste to energy technology?**

32. The bid includes some waste to energy proposals, in the form of anaerobic digestion facilities for organic waste.
33. The question of larger waste to energy plants arises regularly, and may be a possibility in the future as the technology continues to develop. Such facilities need case by case consideration as the technology varies considerably. Key questions include:
- Whether the proposal would complement or compete with other options for reusing or recycling the waste material, further up the waste hierarchy
  - What kind of waste material would be used as feedstock, whether there is likely to be an ongoing supply in sufficient volume, and how it would be transported and stored
  - What kind of by-products, emissions and residue would be produced by the facility and how they would be captured, treated and disposed of
  - Whether there is an identified market or customer for the energy that will be generated, whether it will endure, and how the energy will reach the customer
  - How experimental the technology is and whether there are examples of the same technology functioning at a similar scale and with similar waste streams.
34. The other main question is how to ensure that the waste material making up the feedstock is genuinely residual waste that cannot be used in a more beneficial way, further up the waste hierarchy. From a policy perspective, it is preferable to ensure that we have created effective systems for maximising reuse and recycling of material as a first step, so that we can be confident that a waste to energy facility is viable using truly residual waste.

### **How would the funding be administered?**

35. In the short term the funding for the initial projects would be administered through existing processes, with established decision-making, governance and audit functions, as follows:
- For grants to territorial authorities, through the Waste Minimisation Fund processes within the Ministry for the Environment, supplemented with additional commercial expertise as necessary
  - For loans to businesses, through an agency with appropriate expertise –either Ministry for Business, Innovation and Employment's Provincial Growth Fund or the Green Investment Fund.
36. In the longer term, the funding would be administered through the organisations and/or processes that will be put in place to manage the funds generated by the expanded waste levy.
37. The Ministry for the Environment has recently become responsible for other large funds and is moving rapidly to ensure it has appropriate capability and processes in place.



## Covid-19 Response and Recovery Fund (CRRF) – Waste and Resource Recovery Initiatives update

Date Submitted:	8 December 2020	Tracking #: 2020-B-07430	
Security Level	In-confidence	MfE Priority:	Non-Urgent

	<b>Action sought:</b>	<b>Response by:</b>
To Hon David Parker, Minister for the Environment	Note contents of briefing.	N/A

Actions for Minister's Office Staff	<b>Return</b> the signed report to MfE.
Number of appendices and attachments: Nil	Titles of appendices and attachments (ie separate attached documents): Not applicable

### Ministry for the Environment contacts

Position	Name	Cell phone	1 <sup>st</sup> contact
Principal Author	Michelle Kazor	021 677 672	✓
Director	Shaun Lewis	021 101 2446	

Released under the Official Information Act 1982

## Covid-19 Response and Recovery Fund (CRRF) – Waste and Resource Recovery Initiatives update

1. The purpose of this briefing is to provide you with an update on recent developments and progress on the delivery of Waste and Resource Recovery Initiatives through the Covid-19 Response and Recovery Fund (CRRF).
2. We also ask for your feedback and direction in relation to proposed approaches to managing specific risks and opportunities as outlined in this briefing.

### *Background*

3. In July, Government announced a non-contestable investment of \$124.3 million into fifteen recycling and recovery infrastructure initiatives. This investment will reduce waste to landfill and create short and long-term employment opportunities during the Covid-19 economic recovery period.
4. Several projects have been announced as agreements in principle, including investments in optical sorting equipment for material recovery facilities, along with new balers for agricultural plastics consolidation. These projects are being carried out across New Zealand, from Northland to South Canterbury. More project announcements are expected early in the new year as project due diligence is carried out.
5. The initiatives are a combination of grants and loans, to both public and private entities. They will increase the capacity of the resource recovery system to collect and sort plastics, fibre and organic waste materials for beneficial use.
6. Taken together the projects will also enhance the resilience of the resource recovery system in New Zealand, which has been increasingly challenged by international market volatility and trade restrictions on some materials.
7. All CRRF investments have been grouped into the tranches primarily based on the level of complexity, risk and/or value of the investment. Tranches considered factors such as the anticipated timeline of release of funding, existing or future commercial arrangements, decisions required for suitable funding approach, and further project information required from the applicant:
  - Tranche 1a – lower value/risk, MRF upgrades (plastics optical sorters and balers)
  - Tranche 1b – medium value/risk, Materials Recovery Facility (MRF) upgrades (fibre mechanical sorters)
  - Tranche 2 – medium risk/low-high value; resource recovery service level improvements
  - Tranche 3 – medium risk / high value; anaerobic digestion facilities
  - Tranche 4 – S9(2)(b)(ii)
  - Tranche 5 – low value / risk; weighbridges

### *Tranche 1a and 1b – Material Recovery Facility (MRF) upgrades*

8. All seven Tranche 1a and 1b initiatives have been announced as projects funded in principle subject to successful due diligence. Due diligence for these projects is nearly complete and deeds of funding are being prepared. The projects and their status are summarised in *Table 1* below.

9. Overall risk associated with these projects is considered low and the benefits from optical sorting technology are well proven. However, two applicants (Auckland Council and Envirowaste Services Ltd) have made decisions to fund and install the optical sorting equipment prior to a deed of funding being completed.
10. The decisions made by these applicants was based on their individual circumstances and were taken at their own risk. For Auckland Council, the decision to purchase and install the equipment appears to have been based on motivation to reduce plastic materials to landfill due to loss of international markets since Covid-19. For Envirowaste, due the timing of their construction programme for a new Materials Recovery Facility to service Hamilton City Council, the company made the decision to purchase the equipment to avoid costly plant reconfiguration and refitting at a later stage.
11. The Ministry expects the deeds for the two Auckland Council projects and the Envirowaste projects to be agreed and executed by the end of January 2021.

*Table 1: Tranche 1a &1b: Announced projects – summary and status*

Project Name	Short Project Description	Funding \$m & type	Current Overall Status
Optical sorter (plastics) - Canterbury - Eco Central	Funding to replace and upgrade supporting sorting equipment in its operated Materials Recovery Facility (MRF) in Christchurch. This will result in an increase in the plant's optical sorting capability and capacity in the sorting of plastics into their individual resin types.	1.8m (full grant)	Funding agreed in principle; due diligence complete; in deed drafting stage
Optical and mechanical sorter (fibre) - Canterbury - Eco Central	To meet revised quality standards now implemented by importing countries, NZ must sort domestic (kerbside) fibre to below 0.5% contamination. This investment will extend and improve fibre sorting technology.	15m (full grant)	Funding agreed in principle; due diligence complete; in deed drafting stage
Optical sorter (plastics) – Auckland Council	Funding to replace and upgrade existing optical sorter units in its MRF in Auckland. Will result in an increase in the plant's optical sorting capability and capacity in the sorting of plastics into their individual resin types.	0.6m (full grant)	Funding agreed in principle; due diligence complete; deed drafting; applicant purchased and installed kit, accepting risk due to urgent nature of plastics sorting needs
Optical and mechanical sorter upgrade (mixed fibre) – Auckland Council	Upgrade of the sorting screens within the MRF and addition of optical sorting for paper. Upgrading the Auckland MRF to separate cardboard from mixed paper will reduce contamination to 1-2% and maintain markets for the product.	16m (full grant)	Funding agreed in principle; due diligence complete; in deed drafting stage

Project Name	Short Project Description	Funding \$m & type	Current Overall Status
Optical sorter (plastics) – Hamilton & New Plymouth - Envirowaste	Funding for two optical sorter units (1x plastics, 1x fibre) in each of its MRFs. One in an existing MRF in New Plymouth, the other in a new MRF recently opened in Hamilton. These projects will result in an increase in the plants' optical sorting capability and capacity in the sorting of plastics into their individual resin types.	1.9m (grant - 50% funded)	Funding agreed in principle; in due diligence phase; applicant recently purchased and installed kit accepting risk of 'in principle' funding due to timing of construction programme requirements
Optical sorter (plastics) – Thames & Napier – Smart Environmental	Funding for one optical sorter unit for each of its MRFs. One site is at Kopu in Thames, and the other will be in a new MRF currently being constructed in Napier. These improvements will result in an increase in the plants' optical sorting capability and capacity in the sorting of plastics into their individual resin types.	1m (grant- 50% funded)	Funding agreed in principle; due diligence complete; in deed drafting stage
MRF Baler - Northland, Bay of Plenty & Canterbury - Plasback	Funding to purchase three additional waste plastic balers and associated handling infrastructure. Will result in an increase in baling capacity to meet the growing volumes of agricultural waste silage plastic.	0.442m (grant - 50% funded)	Funding agreed in principle; due diligence complete; in deed drafting stage

12. A further set of initiatives are still in strategic assessment and due diligence phases. These projects have not yet been announced. These projects and their status are summarised in *Table 2* below.
13. Following *Table 2*, we provide more detailed information regarding several projects in particular, highlighting specific risks and opportunities for your consideration and input.

*Table 2: Tranches 3-5: Unannounced projects – summary and status*

Project Name	Short Project Description	Funding \$m & type	Current Overall Status
Reporoa Organic Resource Recovery Facility- EcoGas	Will increase existing anaerobic digestion plant capacity from 25,000 to 75,000T. Investment includes addition of food grade CO2 recovery technology. Building and resource consent granted, and feedstock and product markets secured.	8.3m (loan)	In due diligence phase - requires more project information; loan facility arrangements being developed in cooperation with PDU

Project Name	Short Project Description	Funding \$m & type	Current Overall Status
Manawatu Organic Resource Recovery Facility - EcoGas	Will repurpose mothballed facility in Feilding. Cornerstone customers are close enough to pipe raw material. Co-located with water treatment plant, reduces loads and increases capacity for residential biosolids. Fully consented and claims to have supply contracts.	10.2m (loan)	In due diligence phase - requires more project information; loan facility arrangements being developed in cooperation with PDU
Papakura Organic Resource Recovery Facility - EcoGas	Utilises an existing site, and same technology as Reporoa project. Claims to have customer and supply agreements in place. Resource Consent is in process for initial operation. Design is complete and detailed business case is being completed.	15m (loan)	In due diligence phase - requires more project information; loan facility arrangements being developed in cooperation with PDU
City Waste Infrastructure - Diverting waste from landfill - Tauranga City Council	Investment includes upgrades to two established transfer stations, kerbside collection bins for 58,000 households, optical sorting for recycling material, and construction of a resource recovery park. Construction early 2021.	21m (grant)	In final stages of due diligence and deed drafting / negotiation has commenced
City Waste Infrastructure - Dunedin City Council	Waste and recycling kerbside collection improvements, including organics collection and processing. Project supports the surrounding region with the establishment of a network of urban resource recovery parks and rural drop off facilities. Detailed business case prepared by March 2021.	3.8m (grant)	In due diligence phase - require more project business case information
S9(2)(b)(ii)	S9(2)(b)(ii)	S9(2)(b)(ii)	S9(2)(b)(ii)
South-Island Agricultural Plastics Recycling Facility - Local authority (TBC)	Aims to introduce an agricultural plastic recycling plant to the South-Island e.g. 5000 tonnes. Was originally a partnership between Agrecovery, Astron and Plasback. Agrecovery does not wish to progress the project due to cost / not aligned with core strategy. MfE working with local authorities on potential partnership options.	3m (grant - partial funding expected)	Progressing with Ministry strategic assessment and project due diligence wrt waste outcomes, and commercial and market considerations

Project Name	Short Project Description	Funding \$m & type	Current Overall Status
Weighbridge investment - multiple parties - TBC	Expansion of Waste Levy will require many landfill sites without weighbridges to collect quality data. Estimated cost for a weighbridge is between \$30k to \$70k each, and there are approximately 200 non levied sites. Sites being identified and categorised. Priority criteria and funding approach being created.	2.3m (grants)	MFE investigating need / specific requirements alongside waste levy establishing criteria for prioritisation

*Resource recovery services for Local Authorities – Tranche 2*

14. The Tauranga City Council (TCC) City Waste Infrastructure project has been subjected to a rigorous internal and external due diligence process. While key risks have been identified, all are capable of being managed within the Ministry's proposed contracting framework. The key risk relates to the potential for cost escalation around the Te Maunga site development. While a considerable (\$5m) contingency has been provided for by the TCC, the Ministry is proposing to manage this risk further by seeking a maximum investment cap that will constrain Council from investing beyond the viability of the project.
15. The Minister of Local Government recently advised the Tauranga City Council of the Government's intention to appoint commissioners. We do not expect the appointment of commissioners to impact TCC's ability to deliver the project.
16. Deed drafting is commencing in December and is expected to be concluded by the end of January 2021. We recommend delaying announcement of this project until negotiations are complete and the deed of funding is executed.
17. The Dunedin City Council (DCC) has embarked on its Waste Futures project. The project seeks to improve waste and recycling kerbside collection services (including organics collection and processing) and support resource recovery infrastructure to decrease the volume of recoverable material going to landfill. The project will impact beyond Dunedin City into the surrounding region with the establishment of a network of urban resource recovery parks and rural drop off facilities.
18. DCC has procured consultancy services to complete a Single Stage Business Case and masterplan for the resource recovery and diversion facilities. The business case builds on the previous analysis DCC has undertaken, and will assess options, recommend a preferred outcome for each resource recovery capital investment, and develop a detailed masterplan for the next steps.
19. DCC estimates all deliverables will be available by April 2021.

*Organic Anaerobic Digestion Plants – Tranche 3 – Use of PGF loan facility*

20. The Ministry is awaiting final business cases from Ecogas Limited for its three proposed organic waste anaerobic digestion projects. These projects are expected to be funded through concessionary loans subject to applicant and project due diligence.
21. The Ministry is in the process of developing a Memorandum of Understanding (MoU) with the PDU. The MoU recognises the Provincial Development Unit's (PDU) experience in negotiating and managing loans, as well as acknowledges the PDU's existing loan with the borrower.
22. The MoU scope is focused on the current CRRF loan initiatives only but could be expanded

as a means for management of other loans in the future e.g. loan investments that could be created through the expanded Waste Levy. The Ministry is also exploring other options for loan development and administration over the longer term.

23. For the purposes of the CRRF initiatives, we are working with PDU to determine an efficient and effective process and clarify which agency and Minister has associated policy, project and loan management responsibilities.
24. The Ministry and PDU have acknowledged that the negotiation, approval, and execution of loans through the PDU and novation to the Provincial Growth Fund Limited requires specialist skills and higher ongoing administrative costs by comparison to grant funding. The Ministry will be required to transfer the loan funding and an appropriate level of departmental operating budget to the PDU to enable PDU to cover its costs.
25. It is likely that the total administration costs for these loans will be higher than originally estimated. We will come back to you with a proposal in the new year to address this issue.

S9(2)(b)(ii)

26. S9(2)(b)(ii)

27. S9(2)(b)(ii)

28. S9(2)(b)(ii)

29. S9(2)(b)(ii)

30. S9(2)(b)(ii)

31. S9(2)(b)(ii)

*Weighbridges – Tranche 5*

32. We are in the process of identifying and classifying landfills and establishing criteria and funding approach. We will update you on the status of weighbridge investment opportunities in early 2021.

S9(2)(b)(ii)

33. The CRRF package included four investments in optical sorters for plastic sorting, two fibre optical sorters, and two Resource Recovery Parks for local authorities (including enhanced plastics optical sorting). S9(2)(b)(ii)

All were part of a waste package collated

by the Provincial Development Unit of MBIE, subsequently transferred to the Ministry and agreed for investment by Cabinet.

34. We are completing due diligence on these inter-related projects and are commencing with deed negotiations for seven of the projects outlined in this briefing. In funding these assets there is a risk that the underlying plastic waste flows could be diverted to other facilities (including offshore) resulting in the potential Government investments S9(2)(b)(ii)

[Redacted]

35. S9(2)(b)(ii)

[Redacted]

36. S9(2)(b)(ii)

[Redacted]

37. S9(2)(b)(ii)

[Redacted]

38. S9(2)(b)(ii)

[Redacted]

## Recommendations

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### We recommend that you:

- a. **Note** that Cabinet approved funding for fifteen initiatives and that the Ministry is working to complete due diligence and get deeds of funding in place;
- b. **Note** that the Ministry is working with the Provincial Development Unit on administering three projects that are loan funded;
- c. S9(2)(b)(ii)
- d. S9(2)(b)(ii)

## Signature

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Michelle Kazor  
Manager  
**Waste Infrastructure and Investments**

Hon David Parker  
**Minister for the Environment**

**Date**

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## Covid-19 Response and Recovery Fund (CRRF) – Waste and Resource Recovery Initiatives update – February 2021

Date Submitted:	15 February 2021	Tracking #: 2021-B-07529	
Security Level	In-confidence	MfE Priority:	Non-Urgent

	<b>Action sought:</b> match to recommendations: <ul style="list-style-type: none"> <li>Agree to the announcement of the Tauranga City Council City Waste Infrastructure Project prior to deed execution</li> </ul>	<b>Response by:</b> 19 February 2021
To Hon David Parker, Minister for the Environment		N/A

Actions for Minister's Office Staff	<b>Return</b> the signed report to MfE.
Number of appendices and attachments Nil	Titles of appendices and attachments (ie separate attached documents): N/A

### Ministry for the Environment contacts

Position	Name	Cell phone	1 <sup>st</sup> contact
Principal Author	Emma Kerr	021 153 2749	
Responsible Manager	Michelle Kazor	021 677 672	✓
Director	Shaun Lewis	021 101 2446	

Released under the Official Information Act 1982

## Covid-19 Response and Recovery Fund (CRRF) – Waste and Resource Recovery Initiatives update – February 2021

1. The purpose of this briefing is to provide you with an update on the Waste and Resource Recovery Initiatives funded through the Covid-19 Response and Recovery Fund (CRRF), and seek your agreement to announce the Tauranga City Council Waste Infrastructure project ahead of the deed being signed.

### *Background*

2. On 8 December 2020, we provided you with an overview of the fifteen initiatives that Cabinet approved funding for in July 2020. The projects are grouped into six tranches with a total non-contestable investment of \$124.3 million (refer 2020-B-07430).
3. The projects aim to improve the quality and quantity of recycling collected and processed throughout the country, and will support our transition to a low waste, low carbon economy. Some projects have now signed Deeds of Funding, other projects are continuing to progress through the negotiation process.
4. Seven projects have been publicly announced, and more project announcements are expected early this year.

### *The Ministry has signed five project deeds with three more due to be executed by March*

5. Five projects are now in deed. Three further projects are in the final stages of project plan drafting and negotiation, which include two further optical sorter projects and the Tauranga City Waste Infrastructure project. We expect the remaining projects in the CRRF programme to be agreed and executed on a rolling basis over the course of the 2021 calendar year.

*Table 1: Overview of project deed status for lower risk tranches 1 and 2*

<b>Project Name</b>	<b>Funding \$m &amp; Type</b>	<b>Current Status</b>
EcoCentral: Optical sorter (plastics) – Canterbury	\$1.8m (grant – 100% funded)	Fully executed and announced
EcoCentral: Optical and mechanical sorter (fibre) – Canterbury	\$15m (grant – 100% funded)	Fully executed and announced
Plasback: MRF Baler – Northland, Bay of Plenty & Canterbury	\$0.442m (grant – 50% funded)	Fully executed and announced
Auckland Council: Optical sorter (plastics) – Auckland	\$0.6m (grant – 63.8% funded)	Fully executed and announced

Project Name	Funding \$m & Type	Current Status
Auckland Council: Optical and mechanical sorter upgrade (mixed fibre) – Auckland	\$16m (grant – 100% funded)	Fully executed and announced
Envirowaste: Optical sorter (plastics) – Hamilton & New Plymouth	\$1.9m (grant – 50% funded)	Has been announced; Project plan drafting in final stages; Deed execution expected by early March
Smart Environmental: Optical sorter (plastics) – Thames & Napier	\$1m (grant – 44% funded)	Has been announced; Project plan drafting in final stages; Deed execution expected by early March
Tauranga City Council – City Waste Infrastructure project	\$20.5m (grant – 84% funded)	Project plan drafting in final stages; Deed execution expected by early March Not announced
Dunedin City Council – City Waste Infrastructure project	\$3.8m (grant – 100% funded)	In business case finalisation and due diligence Not announced

*Update on City Waste Infrastructure – Tauranga City Council*

6. Tauranga City Council's City Waste Infrastructure project – The project is a \$21m investment in kerbside recycling collection bins for 58,000 households, optical sorting equipment to improve sorting of packaging material, and development of a resource recovery park to increase the recovery of construction and demolition waste. Over a decade, the project is expected to achieve up to 100,000 tonnes of waste diverted from landfill to beneficial use.
7. The due diligence for Tauranga City Council's City Waste Infrastructure project is complete and the Deed of Funding is in its final stages of negotiation and approval.
8. A four-member commission was appointed to act in place of elected representatives at the council from 9 February 2021. Due to the specific nature of this waste infrastructure project and the governance and risk mitigation strategies put in place, we consider that the appointment of commissioners presents a low risk to the project.
9. Tauranga City Council is commencing a communications programme to introduce the new city-wide services rollout and is keen to announce the support received from the Ministry. There may be greater media coverage surrounding council activity in the short term. There are both internal and external pressure to announce this project as soon as possible.
10. We had previously recommended delaying announcement until the Deed of Funding is executed (refer 2020-B-07430). However, the deed negotiations are now in final stages and all project risk issues have been effectively addressed. Thus we consider there to be little risk of announcement prior to execution.

11. You have the opportunity to make an announcement about the project alongside Tauranga City Council. Alternatively, you could leave it to the council to announce the project themselves. If you wish to make an announcement we will work with your office and TCC to determine a date and supporting material.

*Update on Ecogas Anaerobic Digestion Plants delivery*

12. The CRRF programme includes three anaerobic digestion facility projects, which have funding approval for loans to Ecogas of up to \$33m.
13. The Ministry is in final stages of developing a Memorandum of Understanding (MoU) with the Provincial Development Unit (PDU) to deliver the funding for these loan funded projects. Although we have a lot of experience with delivering grant funding we do not have the necessary experience, or authority to administer loans. This is why we are partnering with PDU.
14. The Ministry is receiving revised business case information from Ecogas Limited for its three proposed organic waste anaerobic digestion projects. The Ministry is commencing with technical due diligence related to the Ecogas loan projects. The due diligence process will yield valuable information on the financial viability of the projects, as well as regarding environmental impacts related to the technology.
15. The Ministry, supported by PDU, commenced engagement with EcoGas, with an initial meeting on 29 January about the status of projects and loan arrangements. Current and future discussions will centre on confirmation of milestones, risk mitigation, projected outcomes, provision of loans and facilities arrangements.

*Update on Weighbridges*

16. Work is underway within the Levy Expansion Team to identify criteria for allocating funding for weighbridges, to support the waste levy expansion. The intention is to ensure fair and equitable distribution of funding. Considerations include waste acceptance, volume of material, period remaining on consent and geographical spread. There are different weighbridge options, including single, double, permanent, relocatable. Weighbridges also need to meet certain standards under the Weights and Measures Act.
17. The Ministry expects weighbridge funding to be allocated in the first half of the next financial year.

*Update on remaining projects*

18. There are no significant updates on the Dunedin City Council City Waste Infrastructure Project or South Island Plastics Project further to our previous briefing, but we are engaging with relevant stakeholders. The business cases for these projects and / or strategic assessment is still in development.

19. S9(2)(b)(ii)  
[Redacted]

20. S9(2)(b)(ii)  
[Redacted]

S9(2)(b)(ii)

21. S9(2)(b)(ii)

## Recommendations

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22. We recommend that you:

- a. **Note** that Tauranga City Council project plan has been finalised, however, the Deed of Funding is in final stages of negotiation and is yet to be executed;
- b. **Agree** to the announcement of the Tauranga City Council City Waste Infrastructure Project prior to deed execution.

Yes/No

- c. **Note** that five projects are fully executed, and a further three projects are in the final stage of project plan drafting, with remaining projects in various stages of due diligence and development;
- d. **Note** that ongoing discussions are taking place between the Ministry, PDU and Ecogas regarding the Organic Anaerobic Digestion Plants delivery and loan arrangements.

## Signature

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Michelle Kazor  
Manager  
**Waste Infrastructure and Investments**

Hon David Parker  
**Minister for the Environment**

**Date**



Tracking #: BRF-xx

# Event note – Visit to the Visy Auckland Materials Recovery Facility (MRF)

Date submitted: 16/06/2021

To: Hon David PARKER, Minister for the Environment

**Time of event:** 11am to 12.30pm, 25 June 2021**Run Sheet**

Date	25 June 2021
Time	11pm to 12.30pm
Location	<p><b>Visy Recycling MRF's (NZ) Ltd</b></p> <p>Address: 29 Victoria Street, Onehunga, Auckland, New Zealand, 1061</p> <p>Telephone: 09 975 2000</p> <p>Email: recyclingvisits@visy.co.nz</p> <p>Website: www.visy.com.au/recycling/about</p>
Expected number of guests	
Key attendees	<ul style="list-style-type: none"> <li>• Auckland Mayor Phil Goff</li> <li>• Auckland Councillor Richard Hills</li> <li>• Auckland Councillor Josephine Bartley</li> <li>• Auckland Council General Manager Waste Solutions Parul Sood</li> <li>• Auckland Council Director Infrastructure and Environmental Services Barry Potter</li> <li>• Auckland Council Senior Communications Specialist Eileen Cameron</li> <li>• Additional Auckland Council waste experts to be confirmed</li> <li>• Members of the press + Auckland Council press point of contact</li> </ul>
Contact (MFE)	Stephen Goodman, Policy Manager, Waste streams policy, 021 238 5678



# Visit to the Visy Auckland Materials Recovery Facility (MRF)

## Purpose

1. You are visiting the Visy Recycling Materials Recovery Facility (MRF) on Friday 25 June 2021. This event note provides you with information to support your attendance.

## Key messages

2. You are making a speech to this event, which we have sent to your office.



## **Background information and context**

### **Auckland's Recycling**

3. Auckland has an extensive kerbside recycling collection service provided to every household, using a co-mingled single bin collection system.
4. The Covid-19 Response and Recovery Fund provided more than \$16 million to upgrade the city's Materials Recovery Facility and will be used on new sorting technology for both plastics and fibre. The work is being carried out over 2021-2022.
5. The new technology will ensure that 99% of all recyclable kerbside plastics can now be correctly sorted and recycled, and just over 1/3 of all plastics may now be recycled within New Zealand.

### **Visy in NZ**

6. Visy has been operating in New Zealand since 1996, starting with one corrugated box making facility, primarily making cardboard boxes for food and beverage packaging. Visy has grown and now operates 11 facilities across New Zealand.
7. Today Visy provides packaging for many of New Zealand's brands in the beverage, dairy, seafood, meat and poultry, fruit and produce, and personal care industries. Much of the packaging you find in your local supermarket is made by Visy locally in New Zealand, including aluminium beverage cans, fibre, plastic and glass packaging.
8. Visy is now one of the largest closed loop packaging manufacturers in Australasia, linking recycling and manufacturing at scale.
9. Visy employs approximately 1,000 New Zealanders in recycling and remanufacturing jobs.

### **Visy's Recycling Materials Recovery Facility (MRF)**

10. Visy owns and runs the Material Recovery Facility, often referred to as a MRF (pronounced 'Murph'), in Onehunga.
11. It is the largest MRF in New Zealand and is among the largest and most advanced recycling facilities in the region. The MRF processes the contents of nearly a third of New Zealand's household kerbside recycling.
12. The Onehunga MRF facility operates 5 days a week, 24 hours a day and processes approximately 250,000 tonnes of commingled and glass recyclables each year.
13. The building has a 12,000 square-meter footprint, with a capacity to process 140,000 tonnes of recyclables per year. There are 85 staff employed at the facility. Visy works with Auckland City Council to provide recycling education, which includes, amongst other things, events, tours and accessible collateral.
14. The MRF was built by and is currently owned by Visy. At the conclusion of Visy's contract in 2024, the MRF transfers to Auckland City Council under a Build, Own, Operate and Transfer (BOOT) arrangement.
15. Plastic represents about 6% (by weight) of Auckland's kerbside recycling (7705 tonnes)



16. Paper and cardboard are the biggest source of Auckland's kerbside recycling, making up 55,000 tonnes a year (40%); Around 39% is glass; and 3% is aluminium and steel.

#### **Covid Recovery and Response Fund (CRRF) funding**

17. The Covid Recovery Fund (CRRF) has two projects with Auckland City Council related to the Visy MRF.
18. The first, is an installation of a plastics Optical Sorter into the existing MRF. This project is for an upgrade of the plastics sorting configuration, Total project cost \$940,000 - CRRF contribution is \$600,000.
19. This project is for an upgrade of the automated sorting capability at the MRF to enable the separation of plastic materials from three plastic types to six. Stage one has already been completed which enabled the sorting of three to four plastic types and stage two will enable the sorting of an additional two types of plastic. The improved separation will be achieved by installing one replacement optical sensor, along with undertaking mechanical alterations to existing infrastructure.
20. The upgrades will enable ~1800 tonnes of coloured polyethylene terephthalate (PET, #1 plastic ID) and ~700 tonnes of polypropylene (PP, #5 plastic ID) to be separated per year, along with increasing the capture rate for other high-value plastics already separated at the MRF.
21. Stage three is for the replacement of an existing optical sensor which is now over 10-years old.
22. The second project is the installation of new sorting infrastructure to improve the separation and quality of paper/cardboard ('fibre') This project is funded by CRRF up to \$16,000,000.
23. The upgrade of the sorting capability at the MRF will improve the separation of fibre materials collected from household recycling collections and will reduce the proportion of non- conforming materials (e.g. plastics, aluminium) in mixed fibre bales from 11.8 per cent to below 2 per cent.
24. The upgrade will also result in an increase in the MRF's processing capacity from 140,000 tonnes to 180,000 tonnes per annum. This will enable more recyclable material to be accepted and processed from outside Auckland, and to accommodate growth.
25. The project will address global recycling challenges that have developed since 2018 due to China's 'National Sword' policy, as well as recent trade restrictions caused by the COVID-19 pandemic. Importantly, upgrading the sorting infrastructure will enable the MRF operation to be adaptable and help weather future economic volatility in recycling markets.

## **Speech**

26. Speech is provided in separate document.



## Ministry for the Environment contacts

Position	Name	Cell phone	1st contact
Principal Author	Phil Brown	022 010 3863	
Responsible Manager	Michelle Kazor	021 677 672	✓
Director	Shaun Lewis	021 101 2446	

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## Update on CRRF Resource Recovery Initiatives

Date Submitted:	22 October 2021	Tracking #: BRF-541
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Delete/add Ministers as appropriate	Action sought:
To/CC Hon David PARKER, Minister for the Environment	For noting only

Actions for Minister's Office Staff	None
Number of appendices and attachments #	None

### Ministry for the Environment contacts

Position	Name	Cell phone	1st contact
Principal Author	Phil Brown		
Responsible Manager	Michelle Kazor	64 21 677672	√
Director	Shaun Lewis	64 21 101 2446	

# Update on CRRF Resource Recovery Initiatives

## Purpose

1. The purpose of this briefing is to provide you with an update on the Waste and Resource Recovery Initiatives funded through the Covid-19 Response and Recovery Fund (CRRF).

## Background and Content

2. The CRRF is a \$124.3 million fund, inclusive of departmental operating expenditure, that aimed to invest in sixteen resource recovery infrastructure initiatives. These initiatives support a transition to a low emissions and low-waste future for New Zealand.
3. The Ministry has executed eight deeds valued at \$80M in funding. We expect to have 27 more project deeds executed by March 2022. Table 1 has details of projects with current status.
4. There are nine projects that have been publicly announced so far, and more projects will be announced soon.

### *Update on announced projects*

5. The following table provides an update on all projects that have been announced. Some projects have already been completed or are near to completion, while others are in the active delivery phase.

Table 1: Overview of project status for announced projects

Project Name	Funding \$m & Type	Current Status
EcoCentral: Optical sorter (plastics) – Canterbury	\$1.8m (grant – 100% funded)	Fully executed and announced – Milestone 1 detailed design and planning phase - work in progress
EcoCentral: Optical and mechanical sorter (fibre) – Canterbury	\$15m (grant – 100% funded)	Fully executed and announced – Milestone 1 detailed design and planning phase - work in progress
Plasback: MRF Baler – Northland, Bay of Plenty & Canterbury	\$0.442m (grant – 50% funded)	Fully executed, announced, Milestone 1 completed. Three balers purchased and installed and near to project completion
Auckland Council: Optical sorter (plastics) – Auckland	\$0.6m (grant – 63.8% funded)	Fully executed and announced – project completed
Auckland Council: Optical and mechanical sorter upgrade (mixed fibre) – Auckland	\$16m (grant – 100% funded)	Fully executed and announced – Milestone 1 completed and equipment ordered - work in progress

Project Name	Funding \$m & Type	Current Status
Envirowaste: Optical sorter (fibre and plastics) – Hamilton & New Plymouth	\$1.9m (grant – 50% funded)	Fully executed and announced - Hamilton Fibre Sorter completed, Hamilton Plastics Sorter being installed, New Plymouth in progress
Smart Environmental: Optical sorter (plastics) – Thames / Kopu	Initial \$1m (grant – 44% funded) was for two sites; funding to be reduced to \$600K with max of 50% grant contribution	Has been announced; Funding reduced to \$600K for one site; with Deed execution expected by Dec 2021
Tauranga City Council – City Waste Infrastructure project	\$20.5m (grant – 84% funded)	Fully executed and announced – Current work is the purchase and distribution of 58,000 kerbside bins; further work in progress
Weighbridge funding to support waste levy and data requirements	\$2.2M in grant funding available	Contestable application process completed, 24 weighbridge projects to be funded; more details provided in items 10 to 17

*Projects that have not been announced*

6. The following projects have not been announced. Of these, there are two projects in the initial package that will not be progressed. The status of all unannounced projects is outlined below.

Table 2: Overview of project status for unannounced projects

Project Name	Funding \$m & Type	Current Status
S9(2)(b)(ii)	S9(2)(b)(ii)	S9(2)(b)(ii)
Dunedin City Council – City waste infrastructure project	\$3.8M grant funding – 100% funding for recycling and organics collection assets	Deed in final stages of drafting; execution expected by end of December 2021
Manawatu District Council / Ecogas – Biomethane from blended organics research study	\$250K grant funding – up to 50% of total project	Scoping and project planning with research consortium; a decision will be made on whether to progress by December 2021

Ecogas Anaerobic Digestion Plants – originally three projects	\$33M in loan funding initially; will require \$15M in loans for two projects; CRRF unallocated funds have been returned to the Centre	Loan term sheets in development supported by Kanōa; two projects to be funded at Reporoa and Papakura; one project at Manawatu will not progress
South Island Plastics Processing Facility	\$3M in funding was agreed in principle up to 50% of project costs	This project will not progress, and any CRRF unallocated funds have been returned to the Centre; more details are outlined below

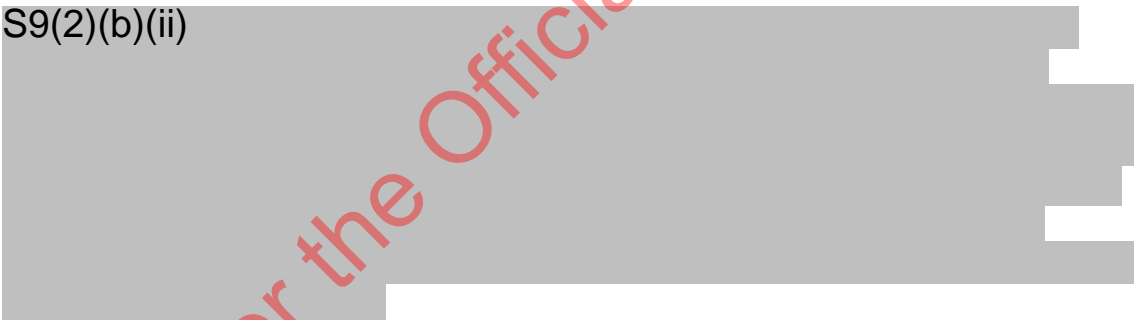
*The South Island Plastics Processing Facility project will not go ahead*

7. The planned South Island Plastics Processing Facility aimed to introduce an agricultural plastic recycling plant to the South-Island. The approved project was originally a partnership between Agrecovery, Astron and Plasback. Agrecovery informed the Ministry they wished to withdraw their request due to cost and a non-alignment with their core strategy.

8. S9(2)(b)(ii)



9. S9(2)(b)(ii)



*An update on weighbridge funding*

10. In recognition of the need for improved waste data and levy compliance, the CRRF package included \$2.2M in funding for the purchase and installation of weighbridges.
11. The Ministry ran a contestable funding round in July-August 2021. Applicants submitted funding applications to access up to \$100,000 per project. The Ministry received 43 funding applications for 46 individual weighbridges, requesting \$3.99M in total funding support.
12. The applications were assessed by an internal panel. Because the fund was heavily oversubscribed, priority was based on key criteria, which included consideration of public benefit and ability to deliver.
13. Priority was given to sites that met the primary objective for the weighbridge funding, which was to support more accurate collection of landfill data and data at transfer and resource recovery sites that are subject to the waste levy and/or the Waste Minimisation (Information Requirements) Regulations 2021.

14. Highest priority was given to weighbridges at class 1 to 4 landfill sites that are directly subject to the waste levy. That priority was followed by weighbridges at transfer stations or resource recovery sites that are directly subject to the Waste Minimisation (Information Requirements) Regulations.
15. A number of waste cartage and resource recovery companies made applications for funding. It was determined that the majority of these sites were not subject to the levy or reporting regulations thus, in a situation where the funding was oversubscribed, these sites were not prioritised.
16. On 30 September 2021, the Ministry announced the results of the weighbridge funding round. A total of 24 weighbridge projects will be funded. The majority of the projects are with local authorities, and are for transfer station / resource recovery sites. There were a small number of landfill sites as well. Table 3 contains details of the successful applicants.
17. The Ministry is working with individual recipients on Deeds of Funding. The projects will be delivered over the next one to two years.

Table 3: Successful applicants for weighbridge funding


	Project Name	CRRF Funding	Total Project Cost
1	Buller District Council	\$ 100,000	\$ 103,500
2	Canterbury Environmental Solutions Limited	\$ 50,000	\$ 500,000
3	Carterton District Council	\$ 100,000	\$ 125,000
4	Central Hawke's Bay District Council	\$ 100,000	\$ 114,669
5	Chatham Islands Council	\$ 100,000	\$ 122,400
6	Far North District Council	\$ 100,000	\$ 138,500
7	Green Gorilla (Auckland)	\$ 52,000	\$ 104,000
8	Hauraki District Council	\$ 100,000	\$ 452,480
9	Horowhenua District Council	\$ 100,000	\$ 106,909
10	Hurunui District Council	\$ 100,000	\$ 168,400
11	Kaipara District Council	\$ 100,000	\$ 165,174
12	Manawatu District Council	\$ 100,000	\$ 4,000,000
13	Marlborough District Council	\$ 100,000	\$ 226,000
14	Matamata-Piako District Council	\$ 100,000	\$ 339,552
15	Northland Regional Landfill Partnership Limited	\$ 70,000	\$ 140,000

Project Name		CRRF Funding	Total Project Cost
16	Opotiki District Council	\$ 100,000	\$ 157,300
17	Porirua City Council	\$ 100,000	\$ 450,000
18	South Waikato District Council	\$ 100,000	\$ 121,000
19	Southland District Council	\$ 100,000	\$ 154,500
20	Tasman District Council	\$ 100,000	\$ 120,000
21	Taupo District Council	\$ 100,000	\$ 165,000
22	Thames-Coromandel District Council	\$ 100,000	\$ 190,000
23	Timaru District Council	\$ 100,000	\$ 160,000
24	Whangarei District Council	\$ 75,000	\$ 75,000
Totals		\$ 2,247,000	\$ 8,399,384.00

## Next Steps

18. We will provide a further update on status of the projects that are not yet announced by the end of December 2021.

## Signature

Shaun Lewis Director - Systems Change and Investment	
Date:	21/10/2021



## Update on the Covid Response and Recovery Fund for Waste and Resource Recovery

Date Submitted:	25 August 2022	Tracking #: BRF-1599	
Security Level	Policy and Privacy Commercial	MfE Priority:	Not Urgent

	Action sought:	Response by:
Hon David PARKER, Minister for the Environment	Information Only	N/A

Actions for Minister's Office Staff	To note only.
Number of appendices and attachments	None

### Key contacts

Position	Name	Cell phone	1st contact
Principal Author	Phil Brown	022 010 3863	✓
Responsible Manager	Andrew Needham – Acting	022 637 0717	
Director	Michelle Kazor	64 21 677672	

# Update on the Covid Response and Recovery Fund for Waste and Resource Recovery

## Purpose

1. The purpose of this briefing is to provide you with an update on the Waste and Resource Recovery Initiatives (WRRRI) funded through the Covid-19 Response and Recovery Fund (CRRF).

## Background and Content

2. In July 2020, the Cabinet approved \$124.3 million from the COVID-19 Response and Recovery Fund (CRRF) to invest in resource recovery infrastructure. This initiative supported New Zealand to emerge from COVID-19 with a resilient system for reducing, recycling, and managing its waste and the associated harm that it causes, as well as increased jobs and incomes spread across New Zealand.
3. The CRRF-WRRRI was originally funded to invest in 16 resource recovery infrastructure initiatives (one of these initiatives, the weighbridge programme, has 23 separate installations/deeds). These initiatives support transition to a low emissions and low-waste future for New Zealand.
4. The Ministry has executed ten project deeds valued at a total of \$84.6 million in funding, and an additional twenty-one deeds within the weighbridge programme collectively valued at \$2.2 million. Five projects have withdrawn their application for funding, and we expect to have the final two weighbridge deeds executed by September 2022.

### Update on announced projects

5. Table 1 below provides an update on all projects that have been announced. Some projects are near to completion, while others are in the active delivery phase.

Table 1: Overview of project status for announced projects

Project Name	Funding (\$M)	Current Status
EcoCentral: Optical sorter (plastics) – Canterbury	\$1.8M	Fully executed and announced. Milestones 1 and 2 completed. Milestone 3, installation of remaining capital assets, is in progress.
EcoCentral: Optical and mechanical sorter (fibre) – Canterbury	\$15M	Fully executed and announced. Milestones 1 and 2 completed. Milestone 3, installation of remaining capital assets, is in progress.
Plasback: MRF Baler – Northland, Bay of Plenty & Canterbury	\$0.442M	Fully executed and announced. All milestones completed. Three balers, tele handlers and five wrappers purchased and installed, and near to project completion.

Project Name	Funding (\$M)	Current Status
Auckland Council: Optical sorter (plastics) – Auckland	\$0.6M	Fully executed and announced. Project near to completion.
Auckland Council: Optical and mechanical sorter upgrade (mixed fibre) – Auckland	\$16M	Fully executed and announced. Milestone 4 completed, and equipment on site work in progress.
Envirowaste: Optical sorters (fibre and plastics) – Hamilton & New Plymouth	\$1.9M	Fully executed and announced. Hamilton fibre sorter completed, Hamilton plastics sorter being installed, New Plymouth in progress.
Smart Environmental: Optical sorter (plastics) – Thames / Kopu	Initial \$1M was for two sites; funding reduced to \$600K with 50% grant contribution	Has been announced with funding reduced to one site only. Milestones 1 and 2 completed with two remaining. Current milestone is focused on sourcing and installation of equipment.
Tauranga City Council – City Waste Infrastructure project	\$20.5M	Fully executed and announced. Nearly 60,000 residents received new kerbside bins, with domestic waste going to landfill reduced by 50%. Works on the new C&D facility are due to begin late this year.
Dunedin City Council – City waste infrastructure project	\$3.8M grant funding	Fully executed and announced. Completing milestone 1 which includes procurement of kerbside food waste and garden waste collection bins.
Weighbridge funding to support waste levy and data requirements	\$2.2M in grant funding	Total of 23 weighbridge projects to be funded across the country; 21 in progress, 2 deeds being finalised.

*The project that has not been announced*

- 6. S9(2)(b)(ii) [Redacted]
- 7. S9(2)(b)(ii) [Redacted]
- 8. S9(2)(b)(ii) [Redacted]

S9(2)(b)(ii)

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9. S9(2)(b)(ii)

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- S9(2)(b)(ii)

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- S9(2)(b)(ii)

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10. S9(2)(b)(ii)

[Redacted]

11. S9(2)(b)(ii)

[Redacted]

12. S9(2)(b)(ii)

[Redacted]

*Projects in the original CRRF package that will not go ahead*

12. Table 3 below provides an update on the projects that will not go ahead.

Table 3:

Project Name	Funding (\$M)	Current Status
Manawatu District Council / Ecogas – Biomethane from blended organics research study	\$0.25M grant funding	Unallocated CRRF funds will be returned to the Treasury. The applicants self-funded this research with partners.
Ecogas Anaerobic Digestion Plants – originally three projects	\$33.3M in loan funding initially approved.	Unallocated CRRF funds will be returned to the Treasury (via Kānoa). <i>Further details below.</i>
South Island Plastics Processing Facility	\$3M in funding was agreed in principle	Unallocated CRRF funds have been returned to the Treasury. <i>Further details below.</i>

*An update on Ecogas Anaerobic Digestion Plants*

13. This package of projects included an investment of \$33.3 million as loan(s) to the applicant Ecogas GP Limited (Ecogas) for building three organic anaerobic digestion projects in Feilding in Manawatū, Papakura in South Auckland, and Reporoa in South Waikato, subject to detailed due diligence by the Ministry on project scope and benefits.
14. In August 2020, the Ministry asked Ecogas for information on the final scope of the three projects. Ecogas did not respond promptly as it was still working through the project scope for the CRRF funding.
15. In November 2020, after the Ministry's repeated efforts to get more information, Ecogas advised its intent to defer the Feilding project, and to revise the scope of its Reporoa and Papakura projects.

*The Feilding, Manawatū project is deferred, and no funding is required*

16. The initial \$10 million CRRF loan funding request for the Feilding project was to repurpose a mothballed organic waste facility. Due to current landfill pricing in the Manawatū region and other factors relating to market competition, Ecogas decided to defer the Feilding project as the economics are not currently viable.

*The Papakura project scope changed, and no funding is required*

17. The initial \$15 million CRRF loan funding request for the Papakura project was to build an organic anaerobic digestion plant and expand the existing Papakura kerbside food waste sorting and consolidation facility. This organic anaerobic digestion capacity has shifted to Reporoa and expansion of the existing Papakura consolidation facility is now funded through Auckland Council's contract with Ecogas, and a \$1.2 million grant from the WMF for the acquisition of key capital assets.

*The Reporoa project has alternative funding sources, and no funding is required*

18. Loan funding of up to \$8.3 million was awarded in principle to support expansion at Reporoa and contribute towards improving circular economy (low carbon) outcomes. The project was not announced and has been in due diligence and commercial negotiation with Ecogas. Circumstances for Ecogas have changed since the application was made, and much of the expansion at Reporoa appears to be funded through other parties/relationships. Ecogas formally withdrew their funding request by letter on 20 July 2022.


*The South Island Plastics Processing Facility project will not go ahead*

19. The planned South Island Plastics Processing Facility aimed to introduce an agricultural plastic recycling plant to the South Island. The approved project was originally a partnership between Agrecovery, Astron and Plasback. Agrecovery informed the Ministry in late 2020 that they wished to withdraw their request due to cost and a non-alignment with their core strategy.

## Next Steps

20. We will provide a further update on status of the projects by the end of December 2022.

## Signature

Michelle Kazor Director - Waste Investment <b>Name of the Team or Directorate</b>	
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Hon David PARKER, Minister for the Environment	
[Date field]	

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