



s 9(2)(a)

Tēnā koe s 9(2)(a)

Thank you for your email of 14 September 2023 to the Ministry for the Environment (the Ministry) requesting the following under the Official Information Act 1982 (the Act):

I request under the Official Information Act any board minutes from the Waste Advisory Board relating to the decision to add the criteria that to be funded from the Waste Minimisation Fund you need to divert from landfill either Food, Greenwaste, Paper or wood.

Under section 38 (5) of the 2008 Waste Minimisation Act before setting or varying criteria (of the WMF) the Minister must obtain and consider the advice of the Waste Advisory Board.

Given this statutory requirement, I request the record of communications between the Waste Advisory Board and the Minister of this particular criteria being added.

The Ministry has identified two documents in scope of your request, as listed in the attached table.

On 28 July 2022, the Ministry recommended strategic outcomes and investment signals for the Waste Minimisation Fund (WMF) 2022 round that are strongly aligned with the Emissions Reduction Plan waste work programme and the Climate Emergency Response Fund appropriation.

On 18 Aug 2022, Minister for the Environment Hon David Parker requested advice on varying criteria for the Waste Minimisation Fund under section 38 of the Waste Minimisation Act 2008 (Document 1 refers).

On 31 Aug 2022, Minister Parker received advice from the Waste Advisory Board. The Board agreed with the change of criteria to enable consideration of the new Aotearoa New Zealand Waste Strategy and Emissions Reduction Plan (Document 2 refers).

To clarify, investment signals are not the same as funding criteria. Funding criteria are the set guidelines that projects must meet to be eligible for funding (eligibility criteria), and they establish general assessment criteria for the fund. Investment signals serve as a way for the Ministry to indicate the types of projects that are currently being prioritised, and allow the Ministry to compel strategically aligned projects to apply for funding.

According to the gazetted assessment criteria, 'Preference will be given to projects that help achieve the strategic outcomes identified by the Ministry for the Environment from time to time (if any)'. This suggests that these preferences/investment signals do not necessitate consultation with the Waste Advisory Board, but can be recommended by the Ministry and approved by the Minister.

You have the right to seek an investigation and review by the Office of the Ombudsman of my decisions 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.

Please note that, due to the public interest in our work, the Ministry 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.

Ngā mihi,

A handwritten signature in black ink, appearing to read 'Michelle Kazor', written in a cursive style.

Michelle Kazor

Director - Waste Investment

Ministry for the Environment | Manatū Mō Te Taiao

Document schedule

Document no.	Document date	Content	Decisions	OIA sections applied
1	18 August 2022	Request for advice on varying criteria for the Waste Minimisation Fund under section 38 of the Waste Minimisation Act	Release in full	N/A
2	31 August 2022	Re: Request for advice on varying criteria for the Waste Minimisation Fund under section 38 of the Waste Minimisation Act	Release in full	N/A

Hon David Parker BCom, LLB

Attorney-General

Minister for the Environment

Minister for Oceans and Fisheries

Minister of Revenue

Associate Minister of Finance



18 August 2022

Darren Patterson
Chairman
Waste Advisory Board
darren@pattersonenvironmental.co.nz

Dear Darren and Waste Advisory Board members,

Request for advice on varying criteria for the Waste Minimisation Fund under section 38 of the Waste Minimisation Act

I am writing to the Waste Advisory Board to seek your advice on proposed variations to the criteria I must consider when deciding whether to approve funding for any project to promote or achieve waste minimisation under section 38 of the Waste Minimisation Act.

My intention is to align the gazetted criteria with the strategy of focusing on impact and scale to achieve waste emissions reductions. The proposed increase in minimum funding amounts and removing the 3-year cap were informally discussed with the Waste Advisory Board. The Board endorsed lifting the minimum and emphasised that how it is framed is important, i.e. it is about getting maximum impact from the funding, not exiting from “community” funding per se.

The Ministry has modelled two options for raising the minimum grant sizes (refer Appendix 2). Both options propose to raise the minimum funding amount for R&D/Innovation projects (including business cases, feasibility studies and pilots) from \$10,000 to \$50,000. For all other project types, a raise of minimum funding amount from \$50,000 to \$150,000 (Option 1) or from \$50,000 to \$250,00 (Option 2). I am seeking your advice and feedback on both options.

I propose to gazette changes in September to take effect at the beginning of October when the fund re-opens. I would appreciate the advice of the Board on the proposed draft criteria contained in Appendix One by **Thursday 1 September**.

If you require any clarification about this request, please do not hesitate to get in contact with my office.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'David Parker'.

Hon David Parker
Minister for the Environment

WASTE ADVISORY BOARD

31 August 2022

Hon David Parker
Minister for the Environment
Parliament Buildings
WELLINGTON

Dear Minister,

Re: Request for advice on varying criteria for the Waste Minimisation Fund under section 38 of the Waste Minimisation Act

Thank you for your request, dated 18 August 2022, for advice on varying criteria for the Waste Minimisation Fund under section 38 of the Waste Minimisation Act.

The Waste Advisory Board (WAB) met via video on 26 and 30 August to discuss the proposed changes to the Waste Minimisation Fund (WMF) criteria.

1. Removing timeframe constraints

The Board agrees with the removal of the 3-year timeframe for funding projects.

The Board considers that there is the need to fund longer term initiatives such as behaviour change programmes to deliver significant transformation which cannot be achieved within a 3-year timeframe. Removing this constraint will provide the ability to fund selected projects and programmes for longer timeframes to deliver better impacts and outcomes.

2. Raising minimum funding thresholds

Your letter states that during informal discussions the Board indicated its endorsement of raising the minimum funding thresholds. We have now had the opportunity to discuss the proposed changes in detail and this is our advice.

The Board recognises and agrees with the comment that bold strategic choices are required to transform New Zealand to a low emission circular economy and the WMF should be integral to that transition. However, we do not consider the proposals will achieve this.

Raising the minimum thresholds for projects will prevent a significant number of New Zealanders from accessing funding to minimise waste. Increasing the minimum size of an application also increases the amount applicants need to contribute towards the project. Contributions many will find impossible to make or find.

Impact on the community sector

The Ministry suggests that community groups will be able to access funding from the Community Environment Fund, but this fund is currently closed for the foreseeable future. We assume that this is because it has been fully allocated. Adding another group of applicants, will only compound this issue and reduce the amount of funding available to other non-waste environmental causes.

Local councils' ability to bridge the funding gap

The Ministry suggests that Territorial Authorities will approve of the increase because they will be receiving "a lot more money". Whilst this will be the case for the larger councils, given that the levy money is distributed on a population basis, many of the councils will not have sufficient funding to support those groups that have been excluded from the fund, on top of their own waste minimisation initiatives.

Some councils do provide contestable waste minimisation funding pools for their districts/regions. These generally make small grants of \$500 to \$5,000. In larger pools grant limits of \$10,000, \$25,000 or \$50,000 are allowed for, but only a very small number of these larger grants are made each year. It may be that councils will increase the size of their funding pools as their WMF allocations increase. However the size of the average grant is likely to remain small. Increasing reliance on councils to administer and manage small and medium grant funding rounds just shifts costs from central to local government, it does not remove cost from the system.

There is a big gap between the small scale council grants of \$5-10,000 and the minimum threshold of \$250k being proposed for the WMF round. To meet the 50% co-funding requirements the WMF project value would need to be at least \$500k (50+ times as large). Half of the applications received in the last funding round were below this threshold, only a small number of these were funded. The change would result in a high level of unmet need for projects sitting in between the small scale local grant maximum and the larger scale national grant minimum.

Impacts on the business sector

The Ministry also suggests that the business sector will applaud the increase. This may well be the case for large businesses, but smaller businesses will have the same barriers as community groups but access to fewer options for funding. They may have initiatives that require a small amount of seed funding to get off the ground but do not have the resources to meet that need.

Potential perverse outcomes

The Board considers that the proposed approach could also have perverse outcomes where project costs are artificially inflated to meet the new requirements whilst delivering what would have been provided at a lower rate. The Ministry suggests that increasing the lower limit will reduce the number of applications and free up resources, it could just increase the amount of money requested with no or little change in the number of applications merely because applicants have expanded their project scope and applied for more money to meet the new requirement.

Small projects do not mean small impacts

The Ministry states that larger projects have greater impact than smaller ones, but that is not always the case. Large projects have failed and been shut down without achieving their stated outcome and small ones have gone on to greater things having achieved proof of concept. Indeed, the Ministry's 2020 report on the WMF refers to a reusable pallet wrap that for \$20,000 proved that it could be a viable replacement for standard single use pallet wrap and has gone on to be marketed as Palletite. This report also refers to Para Kore, a marae based programme that started small with 3 marae and now operates in over 600 marae, organisations and businesses. Both Palletite and Para Kore started as small projects and now have or have the potential for large impact across the country.

Addressing administration costs and constraints

We recognise that there are real logistical and resource constraints that the Ministry faces and that the levy money should be spent on reducing and eliminating waste rather than processing applications. However, we do not agree that the best solution for this is to restrict funding to only those who have access to finance over those that don't. A better solution is to improve the way funding is distributed to these smaller projects. The application process should be simplified as should the oversight, if administration costs are of such concern. A project of \$100,000 or less should not have the same level of oversight and administration as a \$1M project.

What's required if the thresholds are raised.

Minister, if you do decide to increase the minimum application levels for the WMF it must be done in conjunction with the provision of an alternative funding process for those who will no longer have the ability to access the WMF. Directing applicants to the CEF or their local council will, for most, not be a viable option and New Zealand could miss out on the future opportunities these small to medium size projects could deliver. Smaller projects and programmes are often innovative, nimble, and quick to action, a source of innovation that we need to encourage and enable as we seek to move to a low waste low emissions circular economy.

There are many examples of national and regional organisations and trusts that have distributed funding to waste minimisation projects without the scale of overheads described by MfE. They operate a lean process that still holds applicants accountable. We consider this approach should be investigated and applied by MfE.

3. Updating criteria to reflect new Aotearoa New Zealand Waste Strategy and Emissions Reduction Plan

The Board agrees with the change of criteria to enable consideration of the new Aotearoa New Zealand Waste Strategy (ANZWS) and Emissions Reduction Plan (ERP).

We agree with the use of the ANZWS, but we wish to state that as this has yet to be published we do so in the anticipation that it will be a strategy that will promote the waste hierarchy focusing on reduction and avoidance of waste as its highest priority. We also expect the transition to a circular economy to be a key driver.

We support including the ERP and but we consider that it should include the whole document rather than being restricted to Chapter 15 – Waste; which has a specific focus on reducing biogenic methane emissions from landfill. This is a very narrow scope. The ERP flags broader opportunities to reduce emissions through engagement and action to ensure more responsible production and consumption of products and materials.

There are a number of chapters in the ERP which specifically relate to ways the application of the Waste Hierarchy priorities contribute to emissions reductions. These include: Ch 9 Circular and Bioeconomy, Ch 12 Building and Construction and Ch 16 F Gases where applying a consumption emissions lens is an important lever. While high level chapters 1-9 of the ERP will shape the direction of travel and outcomes framework that guide the transition to a low waste, low emissions circular economy.

The Board again thanks you for providing us with the opportunity to give advice on this critical waste minimisation issue.

We look forward to your future requests for advice.

Yours faithfully

A handwritten signature in black ink, appearing to read 'D Patterson', with a stylized flourish at the end.

Darren Patterson

Chair, Waste Advisory Board