

## In Confidence

Office of the Minister for the Environment

Cabinet Environment, Energy and Climate Committee

## Programme of action for reducing waste in Aotearoa New Zealand 2021-2023

### Proposal

- 1 This paper provides Cabinet with an overview of the Government's work programme to reduce waste and improve resource efficiency as part of a transition to a low-carbon circular economy. A one-page summary is included in Appendix 1.
- 2 The attached draft publication, *Programme of action for reducing waste in Aotearoa New Zealand 2021-2023*, provides a more detailed description of the work programme and a draft road map showing key milestones. I intend to publicly release the document.

### Relation to government priorities

- 3 The work programme builds on the significant policy work undertaken by the Government during the previous term. It relates to the plans set out in Labour's 2020 Election Manifesto to future-proof our economy by preventing, reducing and recycling waste, consistent with a zero-waste approach where waste and pollution are designed out. It also relates to the Cooperation Agreement between the Labour and Green Parties – in particular the commitment to taking action to minimise waste and problem plastics.

### Background

- 4 On 1 March 2021, Cabinet noted the foundational work being done by the Ministry for the Environment over the next two years to transform the waste and resource efficiency sector. Cabinet also noted my intention to release a publication in early 2021 to communicate the Government's current work programme while this foundational work is under development (CAB-21-MIN-0039). The draft publication is attached to this paper – named the *Programme of action for reducing waste in Aotearoa New Zealand 2021-2023*.
- 5 As part of the work programme, I am also presenting papers to Cabinet on establishing a Plastics Innovation Fund, phasing out some single-use items and hard-to-recycle plastics and requiring mandatory reporting of waste data.

### Analysis

- 6 During the previous term, the Government took significant steps to begin lifting New Zealand's waste performance and to accelerate the transition to a low-carbon circular economy.

- 7 In particular, our decision to increase and expand the scope of the waste disposal levy will significantly increase incentives to avoid sending waste to landfill. It will also increase funds available for investment back into waste reduction initiatives, from around \$40 million per year at present to an estimated \$270 million from 2024.
- 8 Other steps we have already taken as part of this transition include:
- a) Decisions to introduce mandatory product stewardship for six waste streams (including tyres and plastic packaging)
  - b) Banning single-use plastic shopping bags
  - c) Consulting on proposals to phase out other single-use plastic items and hard-to-recycle plastic products
  - d) Implementing the Basel Convention permitting system for the export of low-grade plastics
  - e) Dedicating \$124.3 million in investment for resource recovery infrastructure as part of the response to the economic impact of COVID-19, and
  - f) Continuing to invest in waste minimisation via the Waste Minimisation Fund (\$17.6 million invested in projects in 2018 and \$11.4 million in 2019).
- 9 However, New Zealand faces significant waste challenges, and we need to do more to build on these early steps.

*The way we create and manage waste is not sustainable*

- 10 New Zealand has been amongst the highest generators of waste per capita in the OECD. Most waste material is disposed of to landfill, with only 28 per cent being recycled and recovered. Long-term trends suggest the rate of disposal to landfill is increasing – with a total increase of approximately 48 per cent between 2010 and 2019, or slightly less on a per capita basis.
- 11 These practices cause harm to the environment and to human health. Our oceans are polluted with plastics. Our rivers and coastlines are too often contaminated by debris from former landfill sites and from illegal dumping and littering. Current patterns of extraction, production, consumption, transport, and disposal of waste create harmful greenhouse gas emissions contributing to climate change.

*New Zealand faces significant waste challenges*

- 12 New Zealand's onshore and offshore recycling systems, infrastructure and practices are insufficient for our current needs. The products we use are often not designed for reuse, repair, and recycling. The effects of this are compounded by our 'single-use' culture. As a result, too many valuable waste resources are being disposed of to landfill rather than being reused or recycled. Our waste and resource recovery network has an estimated infrastructure deficit of \$2.1-\$2.6 billion.
- 13 Domestically, our remoteness, unique geography and relatively small population create challenges for supply chains and cost-effective infrastructure. In addition,

international recycling commodity markets are becoming increasingly constrained. Key export markets are accepting fewer materials, especially co-mingled and contaminated waste streams. This has accentuated the need for New Zealand to address its own waste challenges.

- 14 Current legislative settings contain only a limited set of policy tools and enforcement powers. Our data, research and evidence base for waste also needs improvement. Having better data would provide a stronger base for developing and evaluating policy and interventions. It would also support innovation and technology changes to address many of the waste challenges faced in New Zealand.
- 15 We have legacy waste problems affecting our land and water. The risks are exacerbated by extreme weather events due to climate change, for example at closed landfill sites at risk from sea-level rise.

*We have a clear mandate for change*

- 16 There is increasing public concern about waste and its harmful effects on our environment and health, and about the need for a more circular economy to better live within the finite resources of the planet and minimise greenhouse gas emissions.
- 17 This paper outlines the next steps we will take to accelerate our transition to a low-carbon circular economy. The attached *Programme of action for reducing waste in Aotearoa New Zealand 2021-2023* sets out in detail the work the Ministry for the Environment is leading for the Government over the next two years to drive further change. The programme has five main objectives, each with its own package of underlying workstreams. These objectives are described below, alongside timeframes for public engagement.
- 18 There will be an intense period of public engagement later this year, when we consult on the new waste strategy, updated waste legislation, and the Emissions Reduction Plan for the waste sector, among other initiatives.

*Objective 1: Building the foundations for a transformed waste system*

- 19 This objective captures the work needed to transform our underlying strategic and legislative frameworks for managing waste. Timeframes proposed are subject to change.

Workstream	Timeframe
<p><b>1.1 A new long-term waste strategy</b> A new strategy to guide our transformation to a low-carbon circular economy. The strategy will drive priorities, investment, performance and more coordination activity across central and local government, industry, iwi/Māori and communities.</p>	Consultation mid-late 2021; publication early 2022.
<p><b>1.2 Long-term (waste) infrastructure plan</b> A national infrastructure investment plan with a 10+ year horizon, setting out the path to a fit-for-purpose resource recovery system, supporting the new waste strategy.</p>	Publication early 2022.
<p><b>1.3 Emissions Reduction policies for the waste sector</b> The Government's Emissions Reduction Plan will include sector-specific targets and policies for reducing greenhouse gas emissions from hydrofluorocarbons and the waste sector.</p>	Public engagement mid-late 2021; publication late-2021.
<p><b>1.4 Waste legislation reform</b> New legislation on waste, to replace the Waste Minimisation Act 2008 and the Litter Act 1979. This will consider the creation of new powers to support delivery of the new waste strategy, provide for a new levy investment framework and strengthen compliance tools. s 9(2)(f)(iv)</p>	Consultation mid-late 2021; introduction to Parliament mid-2022; enactment early-2023.
<p><b>1.5 Improved data management systems</b> Expanded data collection systems to improve baseline and performance monitoring datasets.</p>	Ongoing.

### Expanding investment in the sector

- 20 This objective captures the short-term targeted investment needed to enable immediate improvements in waste systems.

Workstream	Timeframe
<p><b>2.1 Waste levy expansion (investment)</b> Stepped increase in and expansion of the scope of the levy from mid-2021 to mid-2024, generating estimated increase in revenue for investment from \$40 million to \$270 million per year. This has already been agreed and the focus now is on implementation.</p>	Levy changes take effect 1 July 2021, 2022, 2023 and 2024.
<p><b>2.2. Waste Minimisation Fund</b> Delivery of 2021 funding round using existing investment process. From 2023, we will move to a new investment and funding system under new legislation.</p>	2021 funding round open May 2021, assessment June-July 2021, decisions mid-late September 2021; 2022 funding round open early-mid 2022.
<p><b>2.3 COVID-19 Response and Recovery investment programme</b> \$124.3 million economic stimulus package allocated to resource recovery infrastructure over 4 years. At present, \$56 million has been committed to seven projects through Deeds of Funding. An additional \$65 million in projects remain to be confirmed by the end of December 2021.</p>	Investment complete mid-2024.
<p><b>2.4 Plastics Innovation Fund</b> Proposed \$50 million fund to operate over 5 years, with investment criteria guided by research and innovation priorities.</p>	New fund in place mid-late 2021; investment complete mid-2025.
<p><b>2.5 Contaminated Sites Remediation Fund</b> Annual Crown appropriation of \$2.6 million per annum, distributed mainly through regional councils.</p>	Funding rounds mid-2021, 2022, 2023.

*Introducing system level change*

- 21 This objective captures the system level changes needed to enable change across the country.

<b>Workstream</b>	<b>Timeframe</b>
<b>3.1 Waste levy expansion (implementation)</b> Updating regulations, extending reporting requirements to additional sites, and compliance and enforcement.	Ongoing through to end 2024, with regulations for mandatory reporting to be considered by Cabinet.
<b>3.2 Kerbside Standardisation</b> Consulting on and confirming a new, standardised national kerbside collection system to improve diversion rates, reduce consumer confusion and enable higher quality recyclables.	Consultation in first half of 2022, after Container Return Scheme policy decisions (see below). Implementation expected over multi-year period.
<b>3.3. Container Return Scheme (CRS)</b> Advice will be provided to Cabinet in the next few months with regard to a potential container return scheme for New Zealand – intended to increase recovery and recycling of containers / bottles and to reduce container litter.	Cabinet decision expected by September 2021. Consultation would follow.

*Addressing individual material streams and products*

- 22 This objective captures the work to gather information and make progress in addressing problems with individual materials and products.

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<b>Workstream</b>	<b>Timeframe</b>
<p><b>4.1 Regulated Product Stewardship</b> Six priority products now requiring development of regulated product stewardship schemes determined by Cabinet last year (tyres; e-waste; plastics packaging; agricultural chemicals; refrigerants; farmplastics).</p>	<p>First regulated schemes in effect from mid-2022. Timing for subsequent regulated schemes will reflect timing of co-design processes.</p>
<p><b>4.2 Rethinking Plastics</b> Implementation of proposed plastics phase-outs and Plastics Innovation Fund (PIF)</p>	<p>Phase-outs regulations take effect from 2022; PIF to be launched late 2021.</p>
<p><b>4.3 National Environmental Standard (NES) for outdoor tyre storage</b> Introducing a new NES to manage issues with tyre storage sites.</p>	<p>Gazetted into law and take effect mid-2021.</p>
<p><b>4.4 Fibre</b> Investigating ongoing challenges associated with fibre recycling. Consideration of recommendations of and response to the Climate Change Commission.</p>	<p>Ongoing.</p>
<p><b>4.5 Organics/food waste</b> Identified as a priority investment signal for the 2021 WMF funding round. Commitment to include specific definition and targets in new waste strategy. Consideration of recommendations of and response to the Climate Change Commission. Work with other agencies on food system and security.</p>	<p>Ongoing.</p>
<p><b>4.6 Construction &amp; Demolition materials</b> Identified as a priority investment signal for the 2021 WMF funding round. Data and evidence gathering to support future initiatives and development of targets for new waste strategy. Liaison with other agencies working on these issues.</p>	<p>Ongoing.</p>
<p><b>4.7 Hazardous substances</b> Improving the assessment process for hazardous substances by legislative and regulatory changes to the Hazardous Substances and New Organisms Act 1996 (HSNO Act). Development of infringement regulations under HSNO Act. Specific work around the Minamata, Stockholm, Rotterdam, and Vienna Conventions.</p>	<p>Ongoing.</p>

*Strengthening operational and compliance activity.*

- 23 This objective captures the work to expand and strengthen operational and compliance systems to support the wide range of changes underway.

Workstream	Timeframe
<p><b>5.1 Strategy for improved compliance, monitoring, and enforcement under the Waste Minimisation Act 2008</b>            Enforcing regulations for single-use plastic bags ban and plastics microbeads ban.            Management of the on-line waste levy system, including policy and procedures for recent system upgrades.            Operational compliance, monitoring, and enforcement and performance management activities under the Act, such as the waste disposal levy and Waste Minimisation Fund auditing.</p>	Ongoing.
<p><b>5.2 Contaminated Land Strategy and compliance improvements</b>            New Hazardous Activities and Industries List guidance developed to assist territorial authorities manage contaminated land.            Development of a contaminated land liability regime via legislative change.            Development of a Contaminated Land Strategy to set out the pathway for how contaminated land will be managed in the future.            Other activities including ongoing support for specific compliance and remedial activities, including orphan sites.</p>	Ongoing, with consultation in late 2021.
<p><b>5.3 Planning for future growth and change</b>            Preparation for considerable increase in activities required to support the wider waste programme, and arising from new legislation.</p>	Ongoing.

**Financial Implications**

- 24 There are no direct financial implications from the release of the work programme document.

**Legislative Implications**

- 25 There are no direct legislative implications from the release of the work programme document.

**Impact Analysis****Regulatory Impact Statement**

- 26 A Regulatory Impact Statement is not required for the release of the work programme document as it does not involve the introduction of new legislation or changes to existing legislation.

**Climate Implications of Policy Assessment**

- 27 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do not apply, as there is no direct emissions impact at this stage. Many of the policy proposals being advanced under the wider waste work programme will have significant direct and indirect implications for New Zealand's net greenhouse gas emissions. As policy proposals are advanced, the CIPA

team will work with officials to assess the emissions impacts of policy proposals, as appropriate.

### **Population Implications**

- 28 The release of the work programme document is not expected to have significant population implications.

### **Human Rights**

- 29 The release of the work programme document is consistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

### **Consultation**

- 30 Relevant government agencies have been consulted on this paper, including the Department of the Prime Minister and Cabinet, the Treasury, Ministry for Primary Industries, Ministry of Business, Innovation and Employment (MBIE), Ministry of Housing and Urban Development, Ministry of Transport, Waka Kotahi NZ Transport Agency, the Department of Internal Affairs (DIA), the New Zealand Infrastructure Commission, Ministry of Foreign Affairs and Trade, Te Arawhiti, the New Zealand Defence Force (NZDF), Kāinga Ora – Homes and Communities, and the Environmental Protection Authority.
- 31 DIA recommended that the Ministry for the Environment engage effectively with local government to ensure success of the reforms. MBIE and the NZDF recommended that the Ministry for the Environment work with the Building for Climate Change programme on emissions and waste reduction outcomes in the construction and demolition sectors.

### **Communications**

- 32 I intend to issue a press release alongside the publication of the work programme document.

### **Proactive Release**

- 33 I intend to release this Cabinet paper proactively within 30 business days of the paper being considered by Cabinet, subject to withholding of information where appropriate, consistent with the Official Information Act 1982.



## Recommendations

I recommend that the Committee:

- 1 note that we have a major work programme to reduce waste and improve resource efficiency, building on the policy work undertaken by the Government during the previous term;
- 2 note that the work programme relates to the Cooperation Agreement between the Labour and Green Parties;
- 3 note the attached draft *Programme of Action for Reducing Waste in Aotearoa New Zealand 2021-23*, which summarises our work programme and sets out its key workstreams, including the development of a new waste strategy and new waste legislation; and
- 4 note that I intend to publish a final version of the *Programme of Action* shortly, to communicate our work programme to the sector and the public.

Authorised for lodgement

Hon David Parker

Minister for the Environment

Proactively released

# Appendix 1: Programme of action for reducing waste in Aotearoa New Zealand 2021-2023

### The way New Zealand has been creating and managing waste is not sustainable:

- One of highest rates of municipal waste to landfill in OECD
- Low rates of recycling and resource recovery, not maximising economic, social and environmental potential
- Our culture and behavioural norms need redirection – both globally and within New Zealand, we continue to accept a 'single-use' culture, which is inconsistent with mātauranga Māori and modern circular economy thinking
- Unstable international and domestic markets for low value waste materials
- Past and current waste practices are negatively affecting our land, water, and climate

### New Zealand needs a transformational step-change:

- A change in the way we extract and replenish our natural resources, use and re-use them, and dispose of any residual waste
- Prioritise activity towards the top of the waste hierarchy
- Improved waste systems and infrastructure to help reduce waste as we transition to a low carbon, circular economy
- Supported by strategic led investment and new legislation to provide effective regulatory tools and enforcement
- Increased research and innovation to find solutions that work
- Address legacy waste problems

### The Waste Hierarchy

1. **Avoid** unnecessary resource use and waste by designing waste out
2. **Reduce** the quantity, toxicity and ecological footprint of consumption
3. **Reuse or repurpose** products and components for the same purpose, or repurpose them for another use that does not reduce their value or require further processing
4. **Recycle/ compost** – recover and process materials to make the same or different materials of similar value when reuse is no longer possible
5. **Recover value** (eg, energy) from materials that cannot be reused or recycled
6. **Treat** the waste with processes to remove or reduce potential harm (before disposing of the waste safely on land set aside for that purpose)

### Key workstream milestones\*

\* Dependent on Cabinet/Ministerial decisions, as at end-Mar-21

#### 2021

- Increase and expansion of waste disposal levy starts (mid-2021, through to mid-2024)
- Hard-to-recycle plastics phase-out decisions (mid-2021)
- First Emissions Reduction Plan published (late-2021)
- Waste Minimisation Fund; Contaminated Sites Remediation Fund; COVID-19 Response and Recovery investments; (proposed) Plastics Innovation Fund

#### 2022

- New waste strategy published (early-2022)
- Regulated Product Stewardship schemes in effect (through to end 2024)
- Waste Minimisation Fund; Contaminated Sites Remediation Fund; (proposed) Plastics Innovation Fund

#### 2023

- New waste legislation (early-2023)
- Regulated Product Stewardship Schemes in effect (continues)
- Increase and expansion of waste disposal levy (continues)

### The Government's Initial Programme of Action – objectives & work streams

1 Building the foundations for a transformed waste system in NZ	2 Expanding investment in the sector	3 Introducing system level change	4 Addressing individual material streams and products	5 Strengthening operational and compliance activity
<ul style="list-style-type: none"> <li>✓ A new long-term waste strategy for Aotearoa New Zealand</li> <li>✓ Long term infrastructure plan</li> <li>✓ Emissions Reduction policies on waste</li> <li>✓ Waste legislation reform</li> <li>✓ Action &amp; Investment Plan</li> <li>✓ Improved data systems</li> </ul>	<ul style="list-style-type: none"> <li>✓ Waste disposal levy increase – future investment opportunities</li> <li>✓ Waste Minimisation Fund (WMF)</li> <li>✓ Covid-19 Response and Recovery (CRRF) investment programme</li> <li>✓ Plastic Innovation Fund (PIF) (proposed)</li> <li>✓ Contaminated Site Remediation Fund (CSRF)</li> </ul>	<ul style="list-style-type: none"> <li>✓ Waste disposal levy increase and expansion - implementation</li> <li>✓ Kerbside Standardisation</li> <li>✓ Container Return Scheme (implementation under consideration)</li> </ul>	<ul style="list-style-type: none"> <li>✓ Regulated product Stewardship (RPS) schemes</li> <li>✓ Rethinking Plastics</li> <li>✓ NES for Outdoor Tyre Storage</li> <li>✓ Hazardous waste</li> <li>✓ Fibre</li> <li>✓ Organics (food waste)</li> <li>✓ Construction &amp; Demolition (strategic targets)</li> </ul>	<ul style="list-style-type: none"> <li>✓ Strategy for improved compliance, monitoring, and enforcement activities</li> <li>✓ Contaminated land strategy and compliance improvements</li> <li>✓ Planning for future growth and change</li> </ul>

#### Our current economy:

### Linear economy

#### Our future economy might look something like:

### Circular economy