

Minister Parker, Minister for the Environment, Waste Portfolio

Public consultation on policy proposals for improving household kerbside recycling and managing business food waste

20 July 2023

These documents have been proactively released.

- 17 February 2022, Public consultation on proposals for improving household kerbside recycling and managing business food waste, Office of the Minister for the Environment
- 17 February 2022, Improving Household Kerbside Recycling and Managing Business Food Waste: Public Consultation, Cabinet Office
- 30 November 2021, Briefing Note: Improving kerbside recycling performance, Ministry for the Environment

No redactions have been made to these documents.

In Confidence

Office of the Minister for the Environment

Cabinet Environment, Energy and Climate Committee

Public consultation on proposals for improving household kerbside recycling and managing business food waste

Proposal

- 1 This paper is one of two Cabinet papers relating to the draft consultation document titled *Transforming recycling*. The consultation document seeks public feedback on three proposals to improve Aotearoa New Zealand's recycling systems:
 - a) design of a container return scheme (CRS) for New Zealand
 - b) improvements to kerbside recycling collections
 - c) separation of business food waste for recycling.
- 2 Specifically, this paper seeks Cabinet agreement on:
 - a) parts 2-3 of the consultation document on improving household kerbside recycling and managing business food waste. The purpose of the proposals is to increase the quality and quantity of material collected for recycling and reduce methane emissions.
 - b) the release of the consultation document for eight weeks of public consultation from March 2022.
- 3 An accompanying Cabinet paper, *Public consultation of a container return scheme for Aotearoa New Zealand*, provides advice on part 1 of the consultation document on designing a container return scheme for New Zealand.

Relation to government priorities

- 4 The proposals in this Cabinet paper:
 - a) follow through on the Labour Party election commitment to improve kerbside recycling. The proposals are in line with the Cooperation Agreement between the Labour Party and the Green Party, in particular commitments to reduce emissions and to minimise waste and problem plastics
 - b) will directly reduce biogenic methane emissions from waste as recommended by the Climate Change Commission and as outlined in the proposed emissions reduction plan
 - c) are fundamental in achieving the proposed targets in the Waste Strategy, which include reductions of waste to landfill and biogenic methane emissions.

Executive summary

- 5 The Government is committed to a low-emissions, low-waste future for New Zealand. I have recently consulted on a refreshed Waste Strategy [CAB-21-MIN-0402] and emissions reduction plan [CAB-21-MIN-0335]. Both these documents have ambitious targets for reducing waste and biogenic methane emissions and aim to keep materials circulating in the economy at their highest value.
- 6 To achieve these targets, I propose:
 - a) to improve household kerbside recycling so councils offer a consistent service around the country, increasing the quality and quantity of material recycled. This will reduce operating costs for local government in the long term and support the ongoing financial viability of the recycling sector
 - b) that business food waste be collected separately from rubbish so it can be used for beneficial applications (such as compost, stock food, or energy).
- 7 These two proposals will:
 - a) improve the quantity and quality of recycling (ensuring ongoing access to markets)
 - b) reduce biogenic methane emissions by 41-59 kt CO₂e by 2030 due to increased diversion from landfill
 - c) build on work already undertaken by industry and local government both separately and in partnership with central government.

Improving household kerbside recycling

- 8 Building on years of industry work and in response to the Local Government Waste Manifesto¹, I propose to consult on:
 - a) two core proposals for improving household kerbside recycling:
 - i. a standard list of materials collected at kerbside so that everywhere in the country you can recycle the same items
 - ii. access to a food scraps collection for all urban households.
 - b) other matters that will help the household kerbside recycling system continually improve over time, including:
 - i. reporting on performance
 - ii. setting of minimum performance standards and stretch targets, and
 - iii. increasing source separation of key materials.

¹ Local Government Waste Management Manifesto 2020 Update: Developed by the Territorial Authorities' officers forum, a sector group of WasteMINZ <http://www.wasteminz.org.nz/wp-content/uploads/2020/07/Local-Government-Waste-Manifesto-2020.pdf>. This calls for greater consistency of household kerbside collections, and specifically asked central government to: "adopt the recommendations of the recently completed Kerbside Standardisation Project, including providing appropriate support and resourcing for its implementation."

Business food waste diversion

- 9 I also intend to consult on requiring all businesses to separate food waste for compost to regenerate our soils, stock food, or energy. Businesses generate at least 25 per cent of New Zealand's food waste. Including business food waste proposals in the consultation ensures any new compost or anaerobic digestion plants needed for household food waste are set up to also manage business volumes.

Final policy decisions in 2022

- 10 After consultation I intend to seek Cabinet approval for final policy decisions later in 2022. I may recommend use of provisions available under the Waste Minimisation Act (2008), or if more appropriate, awaiting new provisions under the more comprehensive waste legislation this Government is developing [CAB-21-MIN-0402]. I will also consider voluntary approaches, such as sector commitments or issuing best practice guidance, although I note low success with these approaches internationally.

Background

- 11 New Zealand is a low performer at recycling overall. We only recycle an estimated 28 per cent of all materials, with the rest landfilled or littered. By comparison, the highest performers in the OECD are now achieving 65-70 per cent diversion. Household kerbside recycling rates are only slightly higher at around 35 per cent. Some countries in the OECD recycle and compost more than half of their household kerbside waste, while high performers collect two thirds of material for recycling and only one third as rubbish.
- 12 Our poor performance causes real harm. Globally, we are extracting resources at an unsustainable rate. Keeping materials circulating in our economy reduces the extraction of natural resources such as metals and oil, and the environmental impacts on land, water and air from making new products.
- 13 The Climate Change Commission recommends moving to a more resource efficient circular economy to help achieve our climate objectives. This can be achieved by designing out waste, keeping materials in use, and using regenerative systems.

The problem with household kerbside recycling

- 14 The public is increasingly concerned about our waste problem. Issues like low rates of recycling, the build-up of plastic in the environment, and the proliferation of non-recyclable packaging regularly feature in lists of New Zealanders' key concerns.
- 15 New Zealanders are confused by the inconsistency in recycling rules across the country and public confidence is ebbing.
- 16 A 2020 Colmar Brunton national survey for the Ministry for the Environment found:
- a) only 40 per cent of the public is confident that all the recyclable items they put in the recycling actually get recycled
 - b) 35 per cent believe that most recycling ends up in landfill
 - c) 51 per cent feel that knowing what they can and cannot recycle at home is confusing
 - d) when tested, respondents could only correctly identify 20 out of 30 items as being recyclable or not.

- 17 Councils agree that the inconsistency in collection services from region to region can hamper their own performance. Since 2013, the waste sector has been working collaboratively to improve consistency. Whilst some gains have been made by individual councils adopting best practice guidelines or adopting industry standards, some councils have been reluctant to change without clear direction from central government.

The problem with business food waste

- 18 The Climate Change Commission also specifically identified the harm caused by landfilling organic material, which creates greenhouse gas emissions, and recommended that New Zealand reduce biogenic methane emissions from waste by at least 40 per cent below 2017 levels by 2035. This is a very ambitious target that we are proposing to commit to via both the new Waste Strategy and emissions reduction plan.
- 19 While more and more businesses are choosing to recycle their food waste or donate any surplus food to food rescue or send it as stock food, there are still many businesses that landfill their food waste. In some regions there are no collection services for food waste and in others there are no processing facilities. Reducing and then recycling food waste is an action all businesses can take to reduce their carbon footprint.

There is strong public support for action

- 20 In the recent emissions reduction plan consultation 94 per cent of submitters supported a more standardised approach to collection systems for households and businesses.
- 21 Additionally, 86 per cent of submitters were in support of banning the disposal of food, green and paper waste at landfills for all households and businesses by 1 January 2030, if there were alternative ways to recycle this waste instead.

Links to other government work programmes

- 22 The proposals in this paper are designed to lay the foundations to achieve the Government's proposed strategy for waste and the circular economy by keeping products and materials in use at their highest value and ensuring that all communities have an equal ability to recycle. The proposed targets in the Waste Strategy are:

Area	Responsibility	Strategic target (by 2030)
Waste	Whole country	Reduce waste generation by 5–10% per person
	Public sector	Reduce waste generation by 30–50%
	Businesses	Reduce waste disposal by 30–50%
	Households	Reduce waste disposal by 60–70%
Emissions	Whole country	Reduce biogenic waste methane emissions by at least 30%
Litter	Whole country	Reduce litter by 60%

- 23 Without implementing the proposals in this Cabinet paper, we are likely to fall short of the suggested targets for both emissions and waste disposal.
- 24 Working in tandem, the increased waste levy is designed to incentivise the diversion of waste from landfill and these proposals provide a means to do so. Priority product stewardship for plastic packaging is also being implemented and consistent household kerbside recycling services will allow product stewardship schemes to take a national approach without needing to engage separately with 67 councils.

- 25 Alongside this paper, I am also presenting options for public consultation on a CRS, as outlined in the accompanying Cabinet paper *Public consultation of a container return scheme for Aotearoa New Zealand*. A CRS captures beverage containers used away from home complementing home-based kerbside recycling. Decisions on the design of a CRS will impact kerbside recycling and vice versa. Together, these proposals will improve waste management systems across New Zealand, supporting investment in equipment and infrastructure for collection, sorting and processing of recyclable materials, and encouraging the development of uses and markets for recycled materials.

Analysis

Improving household kerbside collections

- 26 Kerbside recycling is the service provided to households through:
- a) local government provided collections (58 councils), or
 - b) private user-pays collections (6 councils²).
- 27 Three councils have no, or very limited household kerbside recycling services³.
- 28 Each council and/or its service provider determine what materials are collected and how. Kerbside services may collect dry recycling (paper and cardboard, metal, glass, and plastic) and/or organic recycling (food and garden waste). Recycling is collected through bags, bins, crates or boxes, while rubbish is collected through either bags or bins. No one recyclable material is collected everywhere across New Zealand.

Opportunity for standardisation to lift the quantity and quality of recycled materials

- 29 Nationally an estimated 1.3 million tonnes of household waste are collected at kerbside annually. Of this around 440,000 tonnes are collected in recycling giving an estimated diversion rate of 35 per cent. For comparison, Wales was a 'low performer' and embarked on a similar journey to improve household recycling ten years ago, and currently has a diversion rate of 65 per cent. It is now targeting 70 per cent diversion.
- 30 Improving kerbside collections will make for a more resilient recycling system. In 2018, China stopped importing many recyclable materials in order to develop its own circular economy. This change significantly disrupted global markets for recyclable materials. Alternative markets have arisen in other countries but are also rapidly increasing their stringency on the acceptable levels of quality for recyclables. The need to ensure access to end markets for recyclables and the ongoing financial viability of the recycling sector is one of the key drivers behind these proposals.⁴
- 31 Rolling out organic waste collections for households and businesses is likely to divert a further 115,000 - 145,000 tonnes of food waste from landfill contributing to emissions (methane) reduction and waste diversion targets. Food waste can be turned into beneficial compost, soil amendment products, and energy derived from captured gases through anaerobic digestion.

² Far North District, Kaipara District, Kapiti District, Upper Hutt City, Waitaki District and Whanganui District Council

³Gore District, Chatham Islands Council and Rangitikei District.

⁴ In Victoria, Australia one of the largest recycling companies went into liquidation in 2019 due to changes in international markets leaving over 33 councils without a recycling contractor.

Proposals for public consultation

- 32 I intend to consult on the following core proposals for household kerbside recycling:
- a) that all household kerbside recycling collections collect a standard set of materials so that everywhere in the country you can recycle the same materials⁵
 - b) that all urban households have access to a food scraps collection.
- 33 To help councils to improve the performance of their kerbside collections, I will also consult on the following supporting proposals:
- a) that reporting on performance occurs so that councils can understand how well collections are performing and where there is room for improvement
 - b) that there is a minimum performance standard and a stretch target for councils so that the expectations for performance are clear and to encourage adoption of best practice
 - c) whether glass and paper/cardboard should be collected separately to improve quality.
- 34 These proposals retain flexibility for councils as to how to meet targets and recognise that smaller and more rural councils face particular challenges. The consultation intends to identify what types of additional support may be needed for these councils.
- 35 I propose to seek views about whether all councils should be expected to provide household kerbside recycling services and if so whether this should apply only to urban areas defined as populations of more than 1,000 people or not. At present some councils do not provide any kerbside services at all.

Source separation of business food waste

- 36 The draft Waste Strategy is currently suggesting a target for businesses to reduce their waste by 30–50 per cent.
- 37 To achieve our emissions reduction targets, it is not going to be enough to recover just household food waste, we will also need to recover business food waste. Food waste volumes from businesses are significant and expected to exceed 100,000 tonnes disposed to landfill by 2030.
- 38 I propose that businesses should be required to separate food scraps from rubbish but give them flexibility as to how the food scraps are then managed. Some businesses may choose to send for commercial recycling, others may choose community solutions, send for stock food or compost on site.
- 39 I propose to ask questions in the consultation about the scope of businesses that should be required to separate food waste, and the timing and phasing.

⁵ The proposed list of materials can be found in Appendix A.

- 40 The scope could range from impacting only businesses that make or sell food under the New Zealand Food Act, as they have higher volumes of food waste, through to all businesses. Phasing could prioritise those who produce more food waste. For example:
- a) the average New Zealand supermarket produces 1,173 kilograms per week
 - b) the average office worker produces 0.6 kilograms per week, so a business with fifty employees on site produces an estimated 30 kilograms per week.
- 41 Many businesses divert their food waste already and several large businesses have made “zero waste to landfill” pledges. I would like to hear through consultation the willingness of larger waste producers to divert their food waste as well as any impact on small and medium enterprises that may need more time.

Benefits of the proposals

- 42 This suite of proposals will:
- a) increase the quality, quantity and value of dry recycling collected at kerbside, thereby increasing market resilience
 - b) divert from both households and businesses a further 115,000 - 145,000 tonnes of food waste from landfill recycle the nutrients and reducing emissions by 41-59 kt CO₂e by 2030
 - c) increase public engagement and confidence in kerbside recycling.

Recovering materials is one element of a wider system – with many related impacts

- 43 Recycling collections are part of a wider, complex system. By improving the kerbside services, it lays a platform for other parts of the system to improve their practices by providing high-quality streams of recycled materials. At a high level, the kerbside proposals should have positive effects on others:
- a) manufacturers, brands and retailers – know what can be recycled, are incentivised to choose more recyclable packaging, and provide on-package recycling instructions
 - b) consumers and households – can have clarity on non-recyclable materials in kerbside and be empowered to choose products with recyclable packaging and have increasing confidence that the materials will be recycled
 - c) councils and collectors – can ensure collections maximise diversion
 - d) recyclers – are able to recycle more, with fewer problems from contamination from unrecyclable materials
 - e) end markets – benefit from a higher standard of material, enabling more high value products made from recycled materials produced more efficiently.

Implementation

- 44 Depending on consultation, final Cabinet decisions and available funding, I expect to see the following impacts over time:
- a) councils and recyclers collect a standardised list of materials in 2023⁶
 - b) food scraps services start to be implemented before 2025
 - c) all councils and recyclers are providing a food scraps service by 2030
 - d) all businesses are accessing a foods scraps service by 2030.
- 45 This timeline reflects international experiences and the need for the system to adjust. For example, the private sector will be stimulated by the opportunity to develop new composting plants and markets, but this will take time and investment. Councils have set timeframes for revising their long-term plans and their waste management and minimisation plans and may require public consultation to introduce new services such as food scraps collections.

Stakeholder views going into consultation

- 46 The resource recovery sector broadly supports proposals that will improve the quality and quantity of the materials they process and sell. They will be concerned about how much the collection changes will impact on the infrastructure and operations they have in place now and will want to know that these are economically viable. Dynamic businesses will sense the opportunity to offer new services (eg, food scraps collections) whilst owners of landfills may oppose diverting organics from landfill as they argue that well-designed landfills already capture a very high proportion of methane.
- 47 There is good local government support for action by central government to standardise household rubbish and recycling collection systems, and drive data collection and reporting. Councils also support a national education campaign. For most councils, adopting the standardised list of dry recyclables would mean minor changes. There is growing recognition of the need for food waste collections. However, some councils may be concerned about the costs of new service levels. Based on previous consultation and surveys, households strongly support improving kerbside recycling, making it easier to use and improving confidence in the system.
- 48 Manufacturers, brand owners and producers indicate that they are generally supportive of standardisation if that provides assurance that their packaging will be consistently accepted in recycling, and consequently provides more certainty for packaging design. However, some manufacturers whose materials are not proposed to be included may object to the proposals or suggestions that they and their supply chains might need to contribute in future, in order to make collection of their material viable.

Risks

- 49 Stakeholders and the public may be surprised by – or object to – the extent of standardisation proposed in the consultation. For example, for the food scraps service, I currently propose to exclude collection of compostable packaging. Compostable

⁶ Most councils can align with few changes to their collection contract. Based on current collections, 87% of councils either require: no change (16%); to start collecting one standard material (28%); or stop collecting one or more non-standard materials (42%). Communicating the change to households is intended to be supported by a national campaign.

packaging, and particularly compostable *plastic* packaging, is an emerging packaging category that has public appeal, but there are concerns with its ecotoxicity and its long-term impacts on the soil that need to be resolved first.

- 50 Food scraps will be turned into compost and/or digestate from anaerobic digestion depending on the region and location. These are proven and stable technologies, but markets will need to increase to match increasing supply over the next ten years. However, this would have the additional benefit of contributing to decarbonising the agricultural sector.

Financial Implications

- 51 Further work on financial implications is underway including an independent cost benefit analysis. This information will be presented in the full Regulatory Impact Analysis (RIA) which will accompany any final policy proposals to progress after consultation. A high-level view of costs and potential finance sources is shown below.
- 52 Subject to the results of consultation:
- a) financial cost and benefits for standardising materials collected should balance out. Most councils already fund a collection service and will benefit as contamination costs reduce and recycling revenue increases.
 - b) start-up capital costs and transition costs for kerbside food scraps services can inhibit councils from providing services and could be supported by the Government. The waste levy ramps up only gradually over the next five years, Budget funding has been requested to enable the required speed of emissions reductions. Subject to Cabinet decisions, the Budget 2022 initiative *Reducing emissions from waste* would support the food scraps component of the improving kerbside recycling and business food waste proposals.
 - c) it is still appropriate for long-term operating costs of kerbside services to remain a cost on councils/ratepayers, although I expect councils' portion of the expanding waste levy revenue to contribute to these services. While initially slow, under a business-as-usual scenario, councils' cumulative portion of the levy to 2030 is estimated at \$1 billion. However, the proposed emissions reduction plan policies could significantly reduce waste to landfill and associated levy revenues, potentially reducing cumulative council levy to \$770 million in 2030 (assuming the current levy allocation scenario).
 - d) regulated product stewardship, such as current regulations requiring schemes for plastic packaging, may also provide a pathway for product manufacturers to contribute appropriately towards the long-term costs of collection and recycling.
- 53 I have asked officials to do further work during the consultation period and afterwards to establish a funding framework for improving kerbside performance.

Legislative Implications

- 54 I am advised that the Government could develop some regulations under the current Waste Minimisation Act (2008), to give effect to the proposals for household kerbside recycling around providing clear performance, reporting and service requirements.

- 55 Sections 48 and 49 of the Waste Minimisation Act allow performance standards for councils to be set. Section 86 can mandate reporting requirements from local government and the private sector.
- 56 There is merit to establishing some regulations under the current Act, as this Government has heard the public's strong desire for progress on waste and recycling. In particular, the consultation is proposing that collecting a standard set of materials and requiring reporting on the performance of kerbside collections should be implemented as soon as practicable which would require use of the current version of the Act.
- 57 However, the Waste Minimisation Act generally lacks rigour for some of the regulations needed to be enforced. For example, the only penalty at the moment for not meeting performance standards is withholding payment of the levy. Revised waste legislation is in development, which will likely include a wider range of enforcement tools and powers.
- 58 In addition, some of the proposals such as implementing food scraps collections and meeting performance standards require a longer lead in time and do not necessarily require immediate regulation. These proposals would be better enabled via revised waste legislation.
- 59 The proposed policies will be developed and implemented in accordance with New Zealand's international trade obligations.

Impact Analysis

Regulatory Impact Statement

- 60 The Ministry for the Environment's Regulatory Impact Analysis Panel (RIAP) reviewed the interim RIA '*Regulatory Impact Statement: Improving household and business recycling*' produced by the Ministry for the Environment and provided the following statement:

"The panel considers that [the RIA] partially meets the Quality Assurance Criteria.

The RIA demonstrates a thorough understanding of the problem and clearly sets out a range of options, which are well supported with analysis and data where available.

However, the impact analysis is constrained by the fact that this policy proposal is at the consultation stage with consultation anticipated to take place in early 2022. The impact analysis requires testing with affected parties through this consultation process. In particular, the costs and benefits require further exploration. We note that an independent cost benefit analysis and feedback from consultation will be used to update the impact analysis in a final RIA prior to final policy decisions.

Regardless, the panel considers that the information provided in the interim RIA is detailed and reflects a good attempt to provide information on the possible issues, impacts and benefits of the proposals and options discussed, which will be strengthened through the information gained from consultation."

- 61 A final RIA will be developed considering views and inputs from consultation including implementation and transition impacts and ongoing analysis of evidence and source data on costs and benefits for policy proposals.

Climate Implications of Policy Assessment

- 62 A CIPA is not required for a consultation document. However, these proposals would have a positive impact on emissions resulting in total annual emissions savings of 41 – 59 kt CO₂e by 2030.
- 63 This represents around 8-10 per cent of the emissions reductions in 2030 that the Climate Change Commission used in its demonstration pathway for waste to meet proposed emissions budgets. A complete ban on food waste to landfill could contribute around 23 per cent of the 2030 reductions required under this path but is not practical in the near term.

Population Implications

- 64 There are limited population impacts as the policies relate to existing council services. However, more people would have access to kerbside recycling services for both dry recycling and food scraps enabling them to reduce their waste.

Human Rights

- 65 There are no implications for human rights that arise from initial proposals in the consultation document.

Consultation

Consultation with other government agencies

- 66 The Ministry for the Environment has consulted with Ministry for Primary Industries, Department of Internal Affairs, Ministry for Business, Innovation and Employment, Ministry of Health, Te Puni Kōkiri and Treasury, about initial proposals. DPMC has been informed.

Communications

- 67 I intend to issue a press release alongside the publication of the consultation document, which also includes the container return scheme proposals, and provide targeted communications with key stakeholder bodies including WasteMINZ, Local Government New Zealand and other industry stakeholders.

Proactive Release

- 68 I intend to release this Cabinet paper proactively alongside the publication of the consultation document. I will withhold information as appropriate, in line with the Official Information Act 1982.

Recommendations

The Minister for the Environment recommends that the Committee:

- a) **note** that at the 2020 general election the Labour Party committed to improving outcomes from kerbside recycling through standardisation
- b) **note** that the proposed actions and consultation relate to the Cooperation Agreement between Labour and the Green Party – in particular, the commitment to take action to minimise waste and problem plastics

- c) **note** that industry and local government see merit in, and have advocated for, standardising kerbside recycling to improve the quality and quantity of recycling
- d) **note** that improving kerbside recycling is a key proposal towards achieving the Government's proposed waste strategy and emissions reduction plan targets
- e) **note** that the Government can make further progress towards emissions targets by requiring businesses to divert their food waste
- f) **note** that the household and business organic waste components of the kerbside proposals are also subject to a Budget 22 bid, that would accelerate delivery in order to meet biogenic methane reduction targets.
- g) **note** that progress can be made under the Waste Minimisation Act 2008, but a more comprehensive solution may require provisions in a revised Act – a Bill is currently in development
- h) **note** that subject to Cabinet approval, I intend to release the consultation document in March 2022 for a period of eight weeks
- i) **agree** that the Minister for the Environment may release the attached consultation document with proposals to improve household kerbside recycling, business food waste collections and for a container return scheme for New Zealand
- j) **authorise** the Minister for the Environment to make editorial and minor technical changes to the consultation document prior to its release, in line with decisions agreed by Cabinet.

Authorised for lodgement

Hon David Parker

Minister for Environment

Appendix A

The consultation document outlines the following criteria when considering which materials to collect at kerbside:

- a. **The transition causes minimal disruption.** If most kerbside collections already accept the material and it largely meets the rest of the criteria, then it should continue to be collected.
- b. **There are sustainable end markets.** Successful recycling requires someone who is willing to buy the material and turn it into another product people are prepared to buy.
- c. **Processing and sorting technologies are viable.** Some items are not viable to sort or process on a commercial scale.
- d. **The material can be processed by both automated and manual materials recovery facilities.** A variety of systems around the country process recycling. It is important that materials can be accepted at all facilities in New Zealand to ensure equitable outcomes.

Material type	The transition causes minimal disruption (number of districts collecting the material at kerbside)	There are sustainable end markets (yes/no)	Processing and sorting technologies are viable (yes/no)	Can be processed by both manual and automated materials recovery facilities (yes/no)
Steel and aluminium cans	65/67	Yes	Yes	Yes
Paper and cardboard	65/67	Yes, but markets can fluctuate and become uneconomic if quality is low	Yes	Yes
Pizza boxes	61 councils accept in recycling, 2 in organics bin only	Yes	Yes	Yes
Plastic bottles #1 PET	65/67	Yes	Yes	Yes
Plastic bottles #2 HDPE	65/67	Yes	Yes	Yes
Plastic containers and trays #1 PET	58/67	Yes	Yes, once PVC trays are banned in 2022	Yes
Plastic containers and trays #2 HDPE	65/67	Yes	Yes	Yes
Plastic containers and trays #5 PP	47/67	Yes	Yes, though some facilities that process low quantities may face extra costs until regulated product stewardship for plastic packaging comes in	Yes
Glass bottles and jars	62/67	Yes, but there is limited bottle to bottle recycling capacity in NZ	Yes	Yes



Cabinet Environment, Energy and Climate Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Improving Household Kerbside Recycling and Managing Business Food Waste: Public Consultation

Portfolio Environment

On 17 February 2022, the Cabinet Environment, Energy and Climate Committee:

- 1 **noted** that at the 2020 general election the Labour Party committed to improving outcomes from kerbside recycling through standardisation;
- 2 **noted** that the proposed actions and consultation relate to the Cooperation Agreement between Labour and the Green Party – in particular, the commitment to take action to minimise waste and problem plastics;
- 3 **noted** that industry and local government see merit in, and have advocated for, standardising kerbside recycling to improve the quality and quantity of recycling;
- 4 **noted** that improving kerbside recycling is a key proposal towards achieving the government's proposed waste strategy and emissions reduction plan targets;
- 5 **noted** that the government can make further progress towards emissions targets by requiring businesses to divert their food waste;
- 6 **noted** that the household and business organic waste components of the kerbside proposals are also subject to a Budget 22 bid, that would accelerate delivery in order to meet biogenic methane reduction targets;
- 7 **noted** that progress can be made under the Waste Minimisation Act 2008, but a more comprehensive solution may require provisions in a revised Act – a Bill is currently in development;
- 8 **noted** that subject to Cabinet approval of the paper under ENV-22-SUB-0002, the Minister for the Environment intends to release the consultation document *Transforming recycling* in March 2022 for a period of eight weeks;
- 9 **agreed** that the Minister for the Environment may release the attached consultation document with proposals to improve household kerbside recycling, business food waste collections and for a container return scheme for New Zealand;

- 10 **authorised** the Minister for the Environment to make editorial and minor technical changes to the consultation document prior to its release, in line with decisions agreed by Cabinet;
- 11 **directed** the Ministry for the Environment to consult with Ministry of Business, Employment and Innovation officials on including reference to current energy, bioeconomy and circular economy strategies in the consultation document.

Vivien Meek
Committee Secretary

Present:

Hon Grant Robertson
Hon Kelvin Davis
Hon Dr Megan Woods
Hon David Parker (Chair)
Hon Damien O'Connor
Hon Stuart Nash
Hon Willie Jackson
Hon Michael Wood
Hon Kiri Allan
Hon Phil Twyford
Rino Tirikatene, MP
Hon James Shaw

Officials present from:

Office of the Prime Minister
Officials Committee for ENV
Ministry for the Environment



Improving kerbside recycling performance

Date Submitted:	30 November 2021	Tracking #: BRF-963	
Security Level	Policy and Privacy In-Confidence	MfE Priority:	Medium

	Action sought:	Response by:
Hon David PARKER, Minister for the Environment	Provide feedback on the draft Cabinet paper and discussion document for improving kerbside recycling	10 December 2021
To/CC other To or CC Ministers		

Actions for Minister's Office Staff	Return the signed report to MfE.
Number of appendices and attachments #	none

Key contacts

Position	Name	Cell phone	1st contact
Principal Author	Jenny Marshall		
Responsible Manager	Stephen Goodman	64 21 2385678	<input checked="" type="checkbox"/>
Director	Shaun Lewis	64 101 2446	

Improving kerbside recycling performance

Key Messages

1. This briefing provides you with a draft Cabinet paper and consultation document for improving kerbside recycling by increasing standardisation. The proposals deliver on the Labour Party's 2020 election commitments.
2. On 16 September 2021, you agreed to a joint consultation on the Container Return Scheme (CRS) and improving kerbside recycling [BRF 514].
3. Our suggested approach to this consultation is to propose a clear way forward for recycling, while keeping your options open as to how much regulation you might want to consider and when.

Kerbside recycling proposals

4. In New Zealand we are only recycling or composting an estimated one third of all kerbside materials and landfilling two thirds, while high performers such as Wales, collect two thirds of kerbside material for recycling and one third as rubbish.
5. Improving kerbside recycling will improve the quantity and quality of household recycling and contribute to achieving the proposed targets in the draft New Zealand Waste Strategy and emissions reduction plan.
6. We propose you consult on the following two core proposals for household recycling:
 - a. establishing a standard list of materials already agreed to in principle by the sector so that everywhere in the country you can recycle the same items, and
 - b. ensuring households have access to a food scraps collection.
7. We suggest you consult on four additional proposals that will make the system continually improve over time, such as reporting on recycling performance and setting of targets (performance standards).

Diverting business food waste

8. Just as the CRS will improve the recycling of beverage containers by businesses, we also propose you consult on having businesses begin to divert their food scraps from landfill, in order to reach emissions reduction targets and align with the recycling of household food scraps. Consulting on business food waste has two practical benefits:
 - a. it allows councils, private recyclers and composters to factor in the economies of scale that result from collecting both household and commercial food waste, and ensures new infrastructure is sized to process both.
 - b. it sends a strong signal to businesses that diverting food waste will be necessary to achieve waste minimisation and emissions reduction goals.

Next steps

9. Depending on your feedback, we will refine the draft Cabinet paper and discussion documents and resubmit them alongside CRS in January for Ministerial consultation.


Recommendations

We recommend that you:

- a. **Note** that improving kerbside recycling will improve the quantity and quality of household recycling and contribute to achieving the proposed targets in the draft New Zealand Waste Strategy and emissions reduction plan.
- b. **Note** that businesses have a role to play in waste minimisation – increasing the recovery of organic waste is another step in addition to beverage container recycling that all businesses can take to achieve proposed targets.
- c. **Note** the proposals contribute to the proposed waste chapter of the emissions reduction plan and the pace of change will be influenced by the outcome of the Budget 2022 Climate Emergency Response Fund (CERF) waste initiative bid.
- d. **Note** that the introduction to the discussion document is still in draft and that there is specific content relating to the Container Return Scheme which is still to come.
- e. **Provide** feedback on the draft Cabinet paper and draft consultation document by 10 December 2021.

Yes/No

Signature

Shaun Lewis Director - Systems Change and Investment Name of the Team or Directorate	
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Hon David PARKER, Minister for the Environment	
[Date field]	

Purpose

10. This paper seeks your feedback on a draft Cabinet paper and discussion document for improving household and business recycling.

Background

11. You are overseeing a new waste strategy and emissions reduction plan, both of which set ambitious targets to reduce waste and emissions. Improving our recycling systems is a step towards achieving these targets. Kerbside recycling is the main way that households and many businesses interact with the recycling system at present.
12. In New Zealand we are only recycling or composting an estimated one third of all kerbside materials and landfilling two thirds, while high performers such as Wales, collect two thirds of kerbside material for recycling and one third as rubbish.
13. Improving kerbside recycling is one of the Labour Party's 2020 election commitments, which stated that the Government "will work closely alongside local councils to implement standardised kerbside recycling in New Zealand" in order to improve the quantity and quality of recyclable materials collected and processed.
14. In September 2021, you agreed to a broad approach that involved a joint consultation with the Container Return Scheme (CRS) [BRF 514].

Proposals for public consultation

Outcomes sought

15. The proposals will:
 - reduce householders' confusion about what can and cannot be recycled,
 - improve the quantity and quality of recyclable materials collected and processed, and
 - contribute to reducing emissions.
16. We estimate that the proposals will:
 - increase the recyclable resources circulating in the New Zealand economy thus reducing the need to import virgin materials
 - reduce emissions by 47 – 59 kt CO₂e by 2030 and achieve around 8-10% of the emissions reductions in 2030 that the Climate Change Commission used in their demonstration pathway for waste to meet its proposed emissions budgets.¹
 - improve public confidence in recycling as they will be assured that materials collected for recycling are being recycled
 - fulfil our international obligations such as the Basel amendment to export quality recyclables with low rates of contamination
 - improve the quality and increase the quantity of compost and soil amendment products on the market.

¹ A complete ban on food waste to landfill could contribute around 23% of the 2030 reductions required under this path.

Overview of proposals

17. The following table outlines the proposals for consultation:

Table 1: Proposals for improving household and business recycling in New Zealand

Proposals	Description
Core proposals - kerbside	
1.	Set a standard list of materials that is collected at kerbside so that everywhere in the country you can recycle the same items.
2.	Ensure all households in towns >1,000 population have access to a food scraps collection.
Supporting proposals – kerbside	
3.	Ensure reporting occurs on the performance of kerbside collections by region and is published online.
4.	Set a minimum performance standard, as well as a stretch target, to move to international best practice.
5.	Increase the source separation of glass from paper/cardboard to improve the quality of both materials.
6.	Ask if all councils with towns >1,000 population should offer a dry recycling collection at kerbside.
Diverting business food waste	
7.	Ensure businesses separate food scraps from rubbish.

Diverting business food waste

18. As per Proposal 7 in the table above, we also propose you consult on requiring businesses to begin separating their food waste so it can be composted or used as stock food. Business food waste is estimated to reach 100,000 tonnes per annum by 2030. Some businesses already have food scraps collections and others such as Countdown and Foodstuffs have set goals of zero food waste to landfill by 2025. However, many businesses do not have access to food scraps collections due to a lack of processing facilities.
19. The New Zealand Waste Strategy proposals that the Government is currently consulting on include targets for businesses to reduce their waste disposal by 30–50 per cent by 2030.
20. It makes sense to include business food waste proposals in this consultation as it will ensure that the new processing plants needed to divert household food waste (eg

composting or anaerobic digestion facilities) are set up with capacity for both residential and commercial organic waste.

21. Councils in smaller rural towns that roll out new collections may then choose to offer kerbside food scraps collections to commercial businesses through a targeted rate, which would mean savings for both businesses and households due to the economies of scale achieved.
22. Collecting food waste separately will enable businesses to quantify just how much food is being wasted and enable them to identify opportunities to reduce food waste and save money. For example, international research shows that for every \$1 spent on reducing food waste there is a saving of \$14.

Implementation Roadmap

23. For some councils these proposals will involve very little change as they have already moved to the standard set of materials and/or have food scraps collections. For other councils, a greater degree of change is required. Some may need variations to contracts with collectors. Some may not be providing any recycling services at all.
24. We envisage you would want to phase the changes in over time. Phasing will allow councils to benefit from several years of increased levy funding before rolling out any major changes.
25. In phasing implementation, we have aligned dates with the emissions reduction plan, the New Zealand Waste Strategy and the wider waste work programme.

Table 1: Possible implementation roadmap

Timing	Kerbside	Other work programmes
2022	<ul style="list-style-type: none"> • Consultation on kerbside and decisions made • Standardised list of materials agreed 	<ul style="list-style-type: none"> • NZ Waste Strategy published • emissions reduction plan published • Decision made on CRS • Phase out of polyvinyl chloride (PVC) meat trays, polystyrene (PS) takeaway food and beverage packaging, expanded polystyrene (EPS) food and beverage packaging, and degradable plastic products such as photo- and oxo-degradable.
2024	<ul style="list-style-type: none"> • Reporting requirements for kerbside collections commence 	<ul style="list-style-type: none"> • Waste levy reaches \$60 a tonne • Revised waste legislation enacted • Priority Product Stewardship for Plastic Packaging finalised • Proposed CRS implemented (subject to Cabinet decision)

2025	<ul style="list-style-type: none"> • Performance of kerbside collections published online • Councils within 150 km radius of processing facilities have food scraps collections 	<ul style="list-style-type: none"> • 2nd emissions reduction plan • Phase out of all other PVC and PS food and beverage packaging
2030	<ul style="list-style-type: none"> • All councils have reached minimum performance standard for kerbside collections • All councils have food scraps collections and dry recycling collections 	<ul style="list-style-type: none"> • 3rd emissions reduction plan • NZ Waste Strategy updated

Your choices for regulating changes to kerbside recycling

26. We recommend that you keep options open in consultation to consider voluntary action, such as the Government issuing best practice guidance. However, the Ministry has tried voluntary approaches on their own before, and recent attempts at voluntary agreements in other countries such as Ireland and Scotland have not been successful.
27. If you do want to make regulations following consultation, you have the choice of using existing provisions under the Waste Minimisation Act 2008 or using revised waste legislation, expected to be passed in mid 2024.
28. There are some provisions that can be made under current legislation and there is merit in doing so to maintain momentum. With other regulations, it will be preferable or necessary to use new waste legislation.
29. We understand that you would like to ensure flexibility in regulations where this is needed. While we would work through any regulations in detail after consultation, you can for example regulate for a more flexible list of materials under the Waste Minimisation Act. This would likely involve publishing a schedule of the materials in the Gazette. This schedule can be updated more easily – providing some flexibility over time – although you would want to consider a process around updates.
30. Because the current Act is limited in terms of its compliance, monitoring and enforcement powers, some proposals (such as implementing business food scraps collections or setting performance standards) may be better suited to a revised Act where the relevant powers can be included well before needed.
31. The extent to which you use the existing legislation to implement the proposals will depend on how much progress the Government wants to make on this matter in the nearer term, i.e. before 2025. You may alternatively consider that you do not want to regulate until a new Act is in place. This could be in the form of a comprehensive National Environmental Standard and could take some years to develop.
32. Proposal Seven, diverting business food waste, can *only* be done under new legislation. The following table summarises at a high level how you might regulate for the proposals:

Table 2: Regulation of proposals – noting voluntary action can also be considered

Proposal	Description	Indicative approach to regulations	Rationale
1.	A standard list of materials is collected at kerbside so that everywhere in the country you can recycle the same items.	Current Act Sections 48/49	Aligning materials as soon as possible will assist other work programs such as regulated product stewardship for plastic packaging
2.	All households in towns >1,000 population have access to a food scraps collection.	Current Act or Revised Act	A wider range of compliance, monitoring and enforcement (CME) powers are needed than exist in the current Act. This proposal will be phased in over time, so the CME powers won't be needed until 2025 at the earliest.
3.	Reporting on the performance of kerbside collections will be made mandatory and published online.	Current Act Section 86 (1) (b)	The sooner councils understand how well their kerbside collections are performing, the sooner they will be motivated to improve.
4.	A minimum performance standard is set as well as a stretch target to move to international best practise.	Current Act or Revised Act	A wider range of CME powers are needed than exist in the current Act, but these powers won't need to be used until 2030 at the earliest.
5.	Increasing the source separation of glass from paper/cardboard to improve the quality of both materials.	Revised Act	We are proposing to await the results of the final scheme design for CRS before making a final decision.

6.	All councils with towns >1,000 population offer a dry recycling collection at kerbside.	Revised Act	There are no CME powers in the current legislation.
7.	Businesses are required to source separate food scraps from rubbish.	Revised Act	Mandatory source separation is only possible for local government - controlled collections under the current Act.

Developing a proposal for Government investment

33. The Minister of Finance has invited you to submit an initiative to the Climate Emergency Response Fund as part of Budget 2022. Your CERF initiative for waste proposes to set up a contestable fund for:
- part-fund councils to transition to improved kerbside collections,
 - council resource recovery infrastructure (resource recovery parks) and
 - support for private sector investment in organics processing plants.
34. This investment is critical if the Government wants to stimulate action in the sector to reduce emissions from waste. Funding will help councils get over the “set up” hurdle. As we have seen with funding kerbside collections in Tauranga (via the Covid-19 Response and Recovery Fund).
35. For the kerbside component of the Budget initiative, we have commissioned a consultancy with sector expertise, Morrison Low, to work with the Ministry and councils to make sure we have credible sequencing and phasing of investment by councils who want to improve their kerbside collections. This should give Ministers greater confidence that the proposals can be rolled out and that councils will want to bid into the proposed contestable CERF fund. This programme of work would also involve roles for central government such as developing national communications or best practice guidance.
36. High-level cost estimates for each proposal will be available in early January 2022 with detailed costings based on consultation feedback in mid 2022.

Next Steps

37. If you agree with these proposals, we will give your office near-final versions of the Cabinet paper, consultation document and interim Regulatory Impact Statement, in January for Ministerial consultation and Cabinet consideration alongside the CRS.

Table 4: Proposed timeline of key dates and advice

Date	Document or process	Commentary
Dec 2021	Your feedback on draft Cabinet Paper and Consultation Document	
Jan 2022	Ministerial consultation	3 weeks
Feb 2022	Considered by Cabinet Environment Committee	
Feb 2022	Considered by Cabinet	
Mar – Apr 2022	Public consultation	Open for 8 weeks. Dates to be decided.
Aug 2022	Advice to Minister and Cabinet on final recommendations - decisions	Further development and implementation depend on decisions made
2023 to 2030	<p>Indicative timeframe for standardisation to roll out across the country. Some proposed actions towards standardisation can happen relatively quickly eg ceasing to collect items which are not being recycled.</p> <p>Other actions may take more time eg rolling out food scraps collections to districts where organic waste processing facilities need to be built first, and changes in collection infrastructure.</p> <p>The CERF bid, if successful, could accelerate the transition for organic waste collections in line with ERP and NZWS targets.</p>	