Feedback - Te Waihanga Draft Infrastructure Plan

Zero Waste Aotearoa is committed to building a waste-free future together by

1. Offering practical solutions to the root causes of waste
2. Connecting across communities to collectively prevent waste, and repair, reuse, recycle and compost
3. Leading a movement to end waste.

Zero Waste Aotearoa has 72 full members who provide practical resource recovery and behaviour change services. Collectively they employ 1,088 people, recover 38,400 tonnes of material and feed $79 million back into local economies each year.

We appreciate the work that is being done by Te Waihanga and this opportunity to offer feedback on the Draft Plan.

Effective waste reduction and resource recovery systems and safe waste management systems are critical pieces of public infrastructure. It is vital that they are not left out of the national infrastructure conversation.

Waste reduction and management needs to be recognised as a sector with specific drivers, opportunities and funding and finance mechanisms and included in the coordinated planning and investment programme outlined in the draft plan.

Waste reduction and management systems help:

- **Increase resource productivity -** by keeping products and materials circulating in the economy for as long as possible before renewal or replacement
- **Reduce emissions** - upstream in the supply chain and downstream through disposal methods - methane from organics in landfill, CO2 from waste to energy incineration
- **Meet community and SME demand** and expectations - surveys of public opinion show a strong interest in effective systems that help reduce the impacts of wasteful consumption and enable conscious purchasing decisions.
- **Support economic development** - comprehensive and effective waste reduction and management systems underpin tourism, primary production and other industries
- **Create jobs and economic activity** in the regions in reuse, repair, recycling and composting - landfill and incineration create very few jobs per tonne of throughput.
- **Resilience** - a strong network of regional and local waste reduction and management centres are useful for both cleaning up waste created by natural disasters and collecting and distributing goods people need as a result of them.

Chapter 7 : The sectoral view is a work in progress

Effective waste reduction and resource recovery systems and safe waste management systems are critical pieces of public infrastructure. It is vital that they are not left out of the national infrastructure conversation.

Waste reduction and management needs to be recognised as a sector with specific drivers, opportunities and funding and finance mechanisms and included in the coordinated planning and investment programme outlined in the Draft Plan.

This includes:

- Adding some relevant references in Chapters 1-6
- Adding Waste Reduction and Management as a separate Network Infrastructure line item in Fig 38 p129
- Including a new Waste Reduction and Management section in chapter 7 (suggestions for content below)

Waste reduction falls between the cracks

We know we have a waste problem but this knowledge does not translate into investment in effective systems to prevent and reduce waste. Waste reduction and management systems tend to fall between the cracks and have not been well integrated into economic, infrastructure or climate change thinking and planning.

Waste reduction and management tends to get siloed. The focus is usually on the environmental impacts at the bottom of the waste hierarchy / end of the supply chain rather than the upstream opportunities to design waste and pollution out of the system and to keep materials and products in circulation for as long as possible. The main opportunities to reduce demand for infrastructure and services lie upstream.

SDG 12 focuses on creating more responsible and sustainable production and consumption systems. The connection between regulating to change business models and reducing waste is not being properly explored or leveraged.

There is a cultural blindspot in Aotearoa around waste and the complicity of households and businesses in creating it. Waste reduction and management is kept out of sight, out of mind. So long as someone keeps talking it ‘away’ we don’t have to ask ourselves the hard questions about where it goes and whether there are better alternatives.

The sense of overwhelm experienced at the household and SME scale where there are few practical opportunities to reduce waste flows gets carried by staff and elected members into government and councils which do have options available for changing the system.

Many companies actively lobby against regulatory changes that would impact the viability of their business models which depend on being able to internalise profit and externalise cost and risk in the short, medium and long term.

This happens in economics / commerce. Circular economy is a mechanism for connecting thinking about resource and energy use with the business and service models that pull natural resources out of our environment and into our economy.

MBIE works at the top of the supply chain / waste hierarchy and MfE at the bottom. Work on the circular economy at MBIE has been shut down. MfE is left to try and create the regulatory frameworks to shape producer and consumer behaviour with limited resources and low political support.

This happens in emissions reduction - the way we measure, report on and set targets for emissions in the global reporting framework focuses on emissions produced onshore (production emissions). Waste emissions therefore appear to be largely methane from decomposition of organic materials in landfills. All the policy and investment for the waste sector get focused here.

The GHG emissions that are generated offshore to produce goods and food consumed in NZ are not factored into our ERP actions because they are invisible to our accountability frameworks. Supply chain emissions are part of business thinking through scope 3 but this is not integrated into government policy.

The same is true for materials consumption. See work being done by the PCE to estimate the impact of this: Waste generation and Filling some gaps. Generally resource productivity takes a back seat to labour productivity so it is good to see the PCE exploring this in some detail. Circle economy's Circularity Gap reports and UNEPs emissions gap and adaptation gap work clearly show the scale of the problems and what needs to be done to close the gaps.

This happens in construction and deconstruction - with short term outputs overriding long term outcomes. However some good work is being done in the construction sector to factor in waste and emissions implications at the design stage and to build good practice into procurement processes. This is happening on small, medium and large projects.

It is disappointing to see the proposed changes to the Government Procurement rules are likely to remove the requirement to consider waste and GHG emissions impacts as part of the procurement process. This would be a backward step.

This pattern has played out in the work of Te Waihanga

Rautaki Hanganga o Aotearoa - the NZ Infrastructure strategy has five objectives, one of these is *Moving to a circular economy by setting a national direction for waste, managing pressure on landfills and waste-recovery infrastructure and developing a framework for the operation of waste-to-energy Infrastructure.*

This focus hasn't carried through into the Draft Plan. We understand that circular economy framing is not popular with the current government. However the principles behind it are a good fit with a broad reading of their current Waste and resource efficiency strategy.

It would be useful for Te Waihanga to continue to do regular updates on progress in relation to the recommendations in Rautaki Hanganga o Aotearoa section 6.5.4. listed below. How we are tracking 2024 showed slow progress and since then action on many of these has stalled or been rolled back. Some kind of regular independent performance monitoring for our sector would be most welcome.

29 Establish a clear national direction for circularity in waste management
30 Prioritise options that minimise waste entering the market to avoid unnecessary infrastructure
31 Improve recycling Infrastructure for Priority materials
32 Use behavioural interventions to address barriers to recycling, reduce waste and avoid contamination
33 Reduce Landfill emissions resulting from organic waste
34 Develop uses for recycled materials in Infrastructure
35 Clarify the strategic role of Waste To Energy
36 Improve waste sector data and insight
37 Encourage public Infrastructure waste minimisation and designing for deconstruction.

We are not aware of any reports or research that have specifically supported Objective 5. It would be useful to commission some research to advance the recommendations outlined in the strategy. This would help to fill gaps in thinking and analysis that have become more obvious during work on the Draft Plan.

It would help shine a light on the role of the waste reduction and management sector and give it equal billing with transport, energy, water and electricity. It would strengthen this part of the work programme and help achieve Objective 5.

We do value the research work that has been done by Te Waihanga. It covers themes that are very relevant in our sector such as: Paying it back, Maori engagement in Infrastructure,

Paying it forward, Understanding how infrastructure charges affect households, What's fair when it comes to paying for infrastructure?

It would be wonderful to see this kind of thinking applied to the core issues in our sector. Having some fresh eyes and perspective on these issues could help shift us out of the patterns that we have got stuck in.

Green Alliance has done some useful work on Resource efficiency and explored the use and palatability of environmental taxes which is in line with research being done by Te Waihanga.

The concept of demand management to limit the amount of infrastructure and services that need to be supplied is embedded in the waste hierarchy which is used as a prioritisation tool by some players in our sector but it is not given the weight it deserves in waste reduction and management infrastructure planning.

Questions around user pays and the use of economic instruments and regulatory frameworks to create mechanisms for paying for necessary infrastructure and services where there is market failure need to be properly explored and explained.

There is a large product policy toolkit available but we are not making good use of the opportunities we have available. Ideology is a key barrier with regulation often rejected without adequate consideration of the benefits.

Chapter 7.3 Water and Waste

It would be more useful to have a separate section specific to Waste reduction and management. This would create a clear and specific story line about our sector to build on by: taking waste seriously, allocating it bandwidth in the infrastructure conversation, prioritising it as a discrete set of public network infrastructure with specific funding and finance models. This kind of support would help our sector make more steady progress and limit policy flip flops.

Where there are gaps research could be commissioned to fill them. There is a lot of exploratory work that has been done by MfE on Action and Investment planning, the use and level of the waste disposal levy, developing the product stewardship toolkit, standards, compliance, monitoring and enforcement etc to draw on. Documents which clearly outline the Government's thinking on its waste work programme have been released in the last month or so (summary here).

We make the following suggestions regarding useful content for a separate Waste reduction and management section. The work in Rautaki Hanganga o Aotearoa is a good base to build

on although we consider waste to energy incineration requires a much more careful approach.

Institutional Structure

What does waste reduction and management include

- Prevention - design out waste and pollution - redesign business models, product and packaging, behaviour change for consumers
- Reduction - keep products, materials and energy in circulation for longer - divert from recycling, recovery and disposal
- Reuse - sharing models (Mevo), wash and refill (FillGood), second hand market
- Preparation for reuse - Repair, refurbishment
- Recycling - collection, sorting, preprocessing. Reprocessing to incorporate recycled content.
- Composting and organics - food, garden, ag and hort processing byproducts, construction and demolition.
- Recovery - of material and energy
- Disposal - safe disposal of residual waste, hazardous waste management
- Clean ups and remediation - vulnerable landfills, contaminated sites.

Service delivery responsibilities

Waste reduction and management infrastructure and services are provided by councils, commercial operators (both private and community led) and community organisations. The cost burden for household services falls on councils/ratepayers rather than generators and producers as user pays models are becoming less common. Commercial services and infrastructure are usually user pays.

There is an over reliance on kerbside collections - it is useful for high churn, easy to recycle fibre and packaging but is not a suitable method for dealing with every product or package that comes to the end of its life. Specialised harvesting methods and payment systems are needed for different product/material types.

Demand management activity often falls to community organisations and social enterprises as well as councils. Demand management activity is poorly funded. Commercial operators tend to focus on capturing and maintaining throughput of rubbish, recycling and organics.

Governance and oversight

- International obligations - Basel (transport of materials), Stockholm and Kigali (POPs), NDC - Paris Agreement - GHG, Global Plastics Treaty negotiations. International Trade agreements often contain environmental requirements relating to waste, packaging, and embodied emissions.

- Government determines priorities, focus and resourcing levels, creates regulatory framework, standards, RMA, consumer protections.
- Ministry for the Environment provides policy stewardship, regulation for products and packaging, landfills, waste disposal levies collection and spending, emissions reduction etc. Overlaps with quite a few other departments - supply chains, sectors (Large budget cuts are common during National Government cycles)
- MfE and EPA also cover Compliance, Monitoring and Enforcement - under resourced and poorly supported with guidance and standards
- Commerce Commission explores claims about products and packaging
- Climate Commission advises on Emissions Reduction and monitors progress
- Parliamentary Commissioner for the Environment has some work focused on resource use
- Local Councils have responsibility for Waste Minimisation and Management with regard to the Waste Hierarchy priorities. Waste Minimisation and Management Plans created and publicly consulted every 6 years. Usually contract kerbside rubbish, recycling, sometimes composting and transfer stations and disposal services.
- Landfills are usually privately owned, some still in council ownership or JVs with commercial operators.
- Community and environmental organisations challenge the status quo, offer solutions

Paying for investment

The methods we have been using to pay for waste reduction and management systems are coming under pressure. Successive Governments have been slow to implement the regulatory frameworks that would change the game. Voluntary approaches to product stewardship have not been effective.

Communities, councils, the public and business want to make progress with waste minimisation and need a clear, strong, stable and comprehensive regulatory framework so they can work together, and with the government, to do their part.

72% of New Zealanders say they actively try to reduce waste, they need the systems and infrastructure put in place to better support their efforts. So how do we establish affordable and sustainable funding models for waste reduction and management services?

Council budgets are coming under pressure

Willingness to pay for recycling and other waste reduction services through rates /council funding and for commercial services has grown over the last 20 years. Commercial waste companies use long term council contracts as a base to invest in infrastructure and equipment.

However paying for waste minimisation/reduction services and infrastructure through rates funding/ council budgets is becoming a harder sell due to:

- Competing priorities - new development costs and maintenance backlog for water, transport, demand for social infrastructure at the local level.
- High level of unmet need - unfunded mandate - being left with Councils because alternative methods of funding services and infrastructure development like product stewardship / extended producer responsibility are not being regulated for
- Definition of core services may change through the Local Government (System Improvements) Amendment Bill - New Zealand Parliament. Waste management is listed in the bill text as a core service (s11a1c) based on a new definition - solid waste collection and disposal (s5(4)). It is not clear what this includes.

  A footnote that relates to point 37 in this cabinet paper states that: "Cabinet agreed that waste management and minimisation facilities (infrastructure) and waste management are core services, but waste minimisation services are not."

We can lift our game by using Regulation to create funding mechanisms

The solution to many waste problems is good regulation that creates effective pricing to address market failures. Expanding the range and scope of product policy is a critical lever to pull because it will create the revenue streams needed to fund the infrastructure and services New Zealanders need to prevent and minimise waste.

It will also incentivise changes to business models and product design so less waste is created in the first place. Well designed product stewardship has a proven ability to:

- Shift costs off local government onto producers and consumers
- Make material and financial flows more transparent
- Increase collection and recycling rates[1].

Under the current system there are obvious gaps around the practical ability of government and other stakeholders to:

1. effectively strategise, coordinate and organise putting effective policy, regulation and schemes in place and
2. fund the necessary infrastructure, systems and ongoing operational costs.

Budget constraints for central and local government are limiting willingness and ability to invest in waste minimisation infrastructure, systems and activities. This has been

[1] 2024 https://www.oecd.org/en/topics/extended-producer-responsibility-and-economic-instruments.html p8

compounded by the reallocation of a large portion of the Waste disposal levy revenue to activities not related to waste minimisation[2].

Producer responsibility is necessary

It is reasonable to expect that the organisations that design, make and sell products and packaging should take responsibility for limiting the environmental, economic and social impacts that come from putting their products on the market.

Producers have the most control over product and packaging design and the business models they use to distribute and sell them. They can adapt their business activities and design products and packaging to be safe and circular.

Producer responsibility obligations should cover the impacts of products and packaging across their whole lifecycle including the post consumer stages.

Financial and operational responsibility

Product stewardship / EPR involves producers taking financial and/or operational responsibility for their products and packaging and factoring environmental considerations into product and system design. Governments use a suite of policy instruments to shift the financial and sometimes operational responsibility from government to producers[3].

Two key elements of EPR development are allocation to producers or the responsible supply chain of[4]:

1. Financial responsibility for covering the full cost.

Financial EPR - councils and/or governments operate the system and recoup costs from producers. Fees cover services and aim to recoup the full net cost.

2. Operational responsibility for systems and processes

Operational EPR - producers are responsible for setting up collection and sorting systems and covering the operating costs. Binding performance targets are set by the regulator.

This is a critical mechanism for shifting the cost burden for managing the impacts off the public and local and central government and onto the producers. The real costs eventually get incorporated into the price of the product.

---

[2] Budget 2024 and Budget 2025
[3] 2024 https://www.oecd.org/en/topics/extended-producer-responsibility-and-economic-instruments.html p7
[4] 2024 https://www.oecd.org/en/topics/extended-producer-responsibility-and-economic-instruments.html p7

Product policy is bigger than EPR schemes

There are a wide range of tools that governments can use to manage the impacts of products and packaging on society, our environment and our economy. On its own EPR cannot address all of the negative impacts of products and packaging[5].

EPR needs to fit within a broader policy approach and be complemented by other actions including:

- Phase out unnecessary or problematic products, packaging, chemicals of concern
- Demand reduction through reuse, refill and repair
- Effective enforcement of product and system design standards
- Economic instruments and subsidies to shape stakeholder actions[6].

Government needs to have a wide range of powers in its toolkit[7]. These tools can be used alone or in packages to shape the way products and packaging flow into and through our economy, get made, sold, used, repaired, reused, recycled and disposed of.

Schemes can be thought of as packages of tools that have been put together to manage a particular product, material or use case.

Cost of living used as an excuse not to regulate

Well designed Product Stewardship and EPR systems are fair and transparent.

The biggest advocates for the cost of living arguments are the producers of packaging who have a strong incentive to delay the introduction of EPR schemes which are designed to bring externality costs inside their business models.

Te Waihanga research shows that low income households are often better off with variable costs that they can choose to pay or not (eg recycling cost incorporated into purchase price of single use drink container) than a fixed cost that may not reflect their use of a service (eg Rates funded rubbish, recycling and composting systems) where small users pay the same as large users.

---

[5] 2024 https://www.oecd.org/en/topics/extended-producer-responsibility-and-economic-instruments.html p7
[6] 2024 OECD as above
[7] See Hannah Blumhardts paper for detail on this https://www.waikato.ac.nz/assets/Uploads/Research/Research-Projects/Amiomio-Aotearoa/20.03.2023_Regulating-products-production-and-consumption-for-a-circular-economy_Blumhardt.pdf

Waste Disposal levy - lost opportunity

Waste Levy spending by Councils and Government should stay ring fenced for promoting and achieving waste minimisation so that over time we are all wasting less and paying less as a result.

The Waste Disposal Levy is a polluter pays tool that does several jobs:

1. Raises revenue for promoting and achieving waste minimisation i.e. that can be invested in infrastructure that gives business and households practical alternatives to waste disposal
2. Increases the cost of disposal so that alternatives like recycling become more commercially viable
3. Better reflects the social, economic and environmental costs of waste and thus creates a larger incentive to prevent and reduce waste.

Its legitimacy rests on strict hypothecation to activities that promote or achieve waste minimisation. Increasing the rate and coverage of the levy without substantial investment in establishing reuse, repair, recycling and composting alternatives and behaviour change and education services support this transition is a breach of trust.

The cost of disposal goes up, alternatives are not provided or created so businesses face steadily rising costs and households face direct and indirect cost of living increases. We do not consider this to be a fair or reasonable outcome as it increases costs without delivering benefits in return.

Focus of investment has been on managing waste that already exists rather than reducing waste flows. The Auditor General 2007 was critical of this approach, as was Eunomia's Wasted Opportunity report 2017 . Use of economic instruments on the radar since 2000. A PCE report 2006 critical of lack of progress on this.

Grant Thornton report estimated we need to spend $2-2.5b on investment in recycling and composting over the next 10 years to bring our systems up to an acceptable level. The Increases and expansions of the waste levy mean that Levy income in 25/26 will be around $256m, with $128m of this allocated to Councils. $250 million a year over 10 years is $2.5 b so we would have had a pretty good chance of delivering the infrastructure we need.

Unfortunately the government has reallocated half of this funding for at least the next four years to other priorities and is considering allowing councils to reallocate the share that they receive. This has also left us with a very small pool of capital to invest in waste reduction infrastructure. The need for investment capital is far greater than what is available. $30 million p/a for the Waste Minimisation Fund was confirmed as part of Budget 25. Since reopening in October 2024 the WMF has received 66 enquiries totalling $244 million.

Reviews of Waste Levy activity in 2024 found the system was working well:

- process for distributing levy funds for investment was robust, commendable standard of value for money, with some room for improvement. Advised against decreasing funding below 2024 levels.
- spending showed no evidence of crowding out, finding that crowding in of additional funds was more likely.

The Waste Disposal levy was to play a useful role as co-funding to leverage necessary investment from councils, companies and community organisations - Preliminary Waste Investment Strategy. Product stewardship schemes would provide opex funding to pay for the services. Together they form a complementary pair of levers to transform our sector.

It is hard to understand how we will secure the investment we need in our sector for waste minimisation infrastructure now.

Historical investment drivers

Different drivers have come into play over time

Health - rubbish collections - sanitation and pest control

Environment - Esp. 1970 onwards - environmental and health impacts - largely addressing downstream environmental impacts of pollution and litter - chemicals and materials - escape to environment, rise of disposable packaging and products. Also increasing awareness of resource limits - materials, energy, resource consumption.

Sustainability movement - 1980's onwards. Resource conservation - soil, organics, rare earths, metals, biodiversity, ecosystem services. Energy conservation - embodied energy, GHG used in Extraction, production, transport, retail, fossil fuel use etc. Equity - availability of second hand products for low income and or sustainability focused households, alongside this a drive to supply cheap, often low quality, consumer goods to meet the aspirations/needs of low income households. Rubbish businesses shifted into collecting and trucking recycling as council contracts for recycling services came on stream.

Zero Waste, industrial ecology, circular economy etc grew out of these concerns
Push from bottom up to create new services - recycling, composting, reuse and ways of using by products from one business as inputs into another. Community and business led.

Sustainable Development Goals 2015-2030 - SDG #12 Responsible production and consumption - address upstream environmental impacts - biodiversity loss, land use change, ecosystem damage, GHG emissions, overconsumption, distribution and inequality issues.

Climate change commitments - 2002 onwards GHG emissions - waste sector focus methane from organics - anaerobic decomposition in landfills.

Plastics focus - Chief science advisors reports, increasing awareness of impacts of plastics on human and ecosystem health i.e. Convenience at point of purchase is traded off against environmental and health costs in other places and parts of the life cycle. Producers generate a profit and don't have to cover costs/externalities related to their business models. Global Plastics treaty is an attempt to address this - being blocked by plastics industry lobbyists and petrostates overview here.

Incineration and waste to energy - NZ high disposal/low recycling rates, weak standards and compliance, monitoring and enforcement regimes attracting waste to energy incineration companies from parts of the world where investment opportunities are drying up.

Community Perceptions and expectations

Public expectations - demand is not being met

The public consistently seek effective recycling and composting services, safe waste management, better labelling and information, less greenwash, alternatives to single use packaging and access to second hand goods.

New Zealanders create more waste per capita than the citizens of most OECD countries. Households and SME rely on government and large businesses to create a regulatory framework, revenue generation mechanisms and practical systems to be able to prevent and reduce waste as well as to safely dispose of rubbish.

Creating too much waste and wanting effective systems for recycling are common concerns in public surveys. "*There was strong support for reducing waste among respondents to the Aotearoa 2050 survey. "Our lack of recycling means we create too much waste" was ranked as the second most important infrastructure issue, with two out of three respondents rating it as 'very important'.*"p 51 Rautaki Hanganga o Aotearoa.

85% said 'definitely' to producing less waste. 1 in 8 comments mentioned recycling and or reducing rubbish. Environmental protection was the top consideration in decision making with social and economic considerations ranked lower.

Kantar Better futures surveys - Waste, recycling, packaging and overpackaging, plastic in the environment consistently appear in the top 10 concerns for New Zealanders. Businesses often use greenwash tactics to make products and packaging appear more environmentally friendly than they actually are. This reflects the importance consumers place on this.

Current state of the network

We manage waste that has already been created

We spend most of our waste budgets at the bottom of the waste hierarchy managing waste that has already been created, this means communities and councils will face steadily increasing costs over time dealing with ever increasing waste flows (Auditor General 2007).

This means we are spending a lot but not getting good value from the money we are spending. We are managing our waste problems rather than solving them.
Demand management is not a priority for policy or investment. Packages of tools are not being used to reduce and prevent waste flows. Economic instruments not being used effectively to create prices and levers.

Organisations that control large waste flows have little incentive to invest in systems to prevent and reduce waste. Their business model is based on continuing supply, increasing market share and throughput. Large corporate waste companies do not see it as their responsibility to reduce waste. Few contracts result in waste reduction over time.

The companies who create the demand for waste, recycling and clean up services by putting their packaging and products onto the market do not help cover the real cost of establishing and running these services. They often lobby strongly against regulation that would create funding mechanisms.

Falling behind countries we like to compare ourselves to

NZ is already a long way behind the countries we like to compare ourselves to when it comes to practical waste reduction infrastructure. Waste reduction systems are not valued or prioritised, NZ has not implemented policies and practices that are common in other jurisdictions.

We are going through a ime of rapid change in packaging and consumer goods. Investment in systems needs to be constantly evolving to keep pace. Rapid technology change in packaging design and composition, built in obsolescence with products including clothing and textiles, electronics and household goods and incorporation of batteries into products drives rapid changes in reuse, repair, recycling and waste disposal options.

Other countries we trade with and consider equals are already into their second and third generation of waste reduction and management policy. They give us a clear roadmap to follow but successive NZ Governments have been slow to create the necessary regulatory framework.

Falling behind is a risk for our tourism industry, visitors see comprehensive and effective recycling systems as a symbol of a clean, green destination and the primary production sector who compete in global markets and have to meet conditions in trade agreements.

The Nationwide Resource Recovery Network is a reverse logistics system

We frame up waste reduction and management systems as environmental or social goods and relegate them to the 'nice to haves' list rather than seeing them as necessary components of a modern economy.

All of the materials, products and packaging that get distributed through the market will eventually have to be collected back up and reused, recycled, composted or safely disposed of. Product stewardship / extended producer responsibility offers a mechanism for building these harvesting systems into our economy and creating a comprehensive resource recovery network that serves the public good.

Introducing a system like a container return scheme would require a small amount of regulation to put in place a very effective recycling system for bottles, cans and cartons that funds itself through producer fees that are incorporated into the product price. It would also underpin the development of a network of local takeback depots that could collect a wide range of other end of life products as their product stewardship schemes come on stream.

Building on the existing network of recycling and reuse centres and filling in the gaps with small scale replicable infrastructure is an efficient way of rolling out the reuse, recycling and composting infrastructure our businesses and communities need. These facilities can be generalist rather than large scale, capital intensive specialist facilities. That means the ways communities use them can change over time as required.

Better coordination is needed to rationalise the sorting and processing infrastructure that council funded collections access. Sorting facilities are built off the back of collection and processing contracts and may be owned by commercial operators for the long term. This can cause problems if a company loses a contract to a competitor and council is not able to secure a fair gate fee for continuing to use the facility.

Current waste management methods create liabilities - offshore and onshore

Cleaning up litter and pollution, addressing issues with chemicals of concern, remediation of contaminated sites, dealing with leachate and material from historic landfills and shoring up or excavating landfills vulnerable to sea level rise and flooding are taking up an increasing amount of public funding.

Waste disposal levy funds are being diverted from proactive investment opportunities to reactive clean up activities. We are stuck in a vicious cycle, paying the cost of cleaning up the past instead of investing to set up a clean future.

Landfills and other disposal methods create long term liabilities and risks that have to be managed in perpetuity. This is not a common issue with other infrastructure types. It is different to decommissioning or demolishing redundant or unsafe infrastructure. Some activities accrue funds to cover decommissioning costs at the end of life but we are not aware of funds being set aside for aftercare or remediation in relation to landfills so the cost will fall on future generations.

In the past councils (public bodies) owned landfills. It is becoming common for commercial operators to own and manage landfills, they generate a profit from these activities but it is very likely that costs for aftercare, remediation, accidental exposure and escape of rubbish and pollution in the future will be covered by the public in the long term.

Exporting waste and recycling means environmental costs and human health risks are imposed on other places and people. This is a problem across all product and material types. These kinds of costs are not factored into prices for the original products and packaging or for the recycling and disposal methods.

There is a division of interest between waste and recycling operators who largely benefit from status quo and have established their own representative organisation the Waste and Recycling Industry Forum and other parts of the sector who belong to WasteMINZ.

Current investment intentions

Government investment through the Waste Minimisation Fund

Investment in systems and infrastructure to reduce and prevent waste is critical for giving businesses and households the practical tools they need to cut waste, litter and GHG emissions. Reuse, recycling, composting and other forms of waste reduction are public goods and in the absence of effective regulation to create revenue streams to cover the cost of the work need to be publicly funded.

We note that the government has chosen defund waste reduction and management work and work to reduce emissions from the waste sector by:

- closing the Climate Emergency Response Fund as part of Budget 2024[8] and "preferring instead to consider any new funding for climate-related initiatives as part of the normal Budget process.[9]" and
- amending the WMA 2008 in June 2024[10] in order to reallocate a large portion of the government's share of the Waste Levy to activities unrelated to waste minimisation in both Budget 2024 and Budget 2025[11].

The waste levy is a specific polluter pays tool that collects revenue on each tonne of waste that is disposed of, which can then be invested in waste reduction activities to reduce the future costs and risks associated with waste.

50% goes to the Central Government and 50% to Councils. Until July 2024 this money was hypothecated for activities that would minimise waste. This is no longer the case. A portion of Central Government's share of the funds accumulated prior to July 2024 has been allocated to the Waste Minimisation Fund across the next four years at around $30m per annum. The rest has been reallocated.

Central Government's share of levy funds collected over the next four years from 25/26 have been reallocated in the budgets and will not be spent on infrastructure or services to minimise waste.

This is a lost opportunity to grow the reuse and resource recovery sector. Cutting nearly half a billion dollars out of budgets that had been put aside to invest in setting up recycling, composting and reuse infrastructure for businesses and households makes no sense.

Governments current intentions are outlined in these two summary documents Crib notes - Environment incl. Waste Disposal levy allocations. Visual Version of the key elements. More detailed outline here.

Councils, commercial operators, businesses and the community sector have little policy certainty to shape investment decisions. The government's remaining investment through the Waste Minimisation Fund is narrowly focused on achieving emissions reductions by diverting organics from landfill rather than a broader focus on waste reduction.

---

8 https://www.treasury.govt.nz/information-and-services/nz-economy/climate-change/climate-emergency-response-fund

9 https://www.treasury.govt.nz/information-and-services/nz-economy/climate-change/climate-emergency-response-fund

10 https://legislation.govt.nz/act/public/2024/0021/latest/LMS964842.html

11 As outlined in Summary of Initiatives and Budget estimates documents for Budget 2024 and Budget 2025 https://www.treasury.govt.nz/publications/budgets/budget-2024 https://budget.govt.nz/budget/2025/documents-data.htm https://budget.govt.nz/budget/2025/summary-initiatives/index.htm https://budget.govt.nz/budget/2025/by/vote/envir.htm

The decision to reallocate a large portion of the funds collected through the Waste Disposal levy has created a dependence on continued waste generation to fund Environmental projects and programmes. This is a critical issue for our sector as it locks in an incentive for the government to maintain high waste disposal rates so they can continue to receive levy revenue to fund other activities.

Levy charges are meant to create alternatives to disposal

Allocating money that has been collected from households and businesses to spend on solutions to our waste problems on activities that don't help to minimise waste is a breach of trust. What we are left with is steadily increasing waste disposal costs for businesses and households and a huge underspend on investment to provide the alternatives they are looking for like reuse, repair and high quality recycling.

This is especially tough on regions whose economies depend on tourism and food and drink exports. Our visitors and trading partners expect Aotearoa to be up with the play on recycling and waste reduction.

Council budget allocations

Councils allocate large budgets to waste reduction and management. Councils receive 50% of the Waste Disposal Levy funds collected each year - $128m in 25/26. This is distributed on a population basis.

The amount of Waste Levy funding that councils receive is small in comparison to their total spend on waste related activities in their cities and districts. 2025 research commissioned by the Territorial Authorities Forum[12] contains case studies that show it sits between 2.4% (for Queenstown Lakes) and 14% (for Auckland Council) of annual waste budgets based on the current formula.

Proposed changes to the Waste Minimisation Act would use a 20% base rate allocated to each council then 80% allocated on a population basis. Applying the proposed 20/80 formula does not result in a significant increase except to small councils working off a low baseline. The two largest councils allocations will drop in absolute and relative terms.

[12] May 2025 Territorial Authorities' Allocation of the Waste Disposal Levy Research Report TAO forum of WasteMINZ Retrieved from https://44104809.fs1.hubspotusercontent-na1.net/hubfs/44104809/Documents/Advocacy%20documents/White%20papers%2c%20reports/TAO%20Forum%20-%20Waste%20Disposal%20Levy%20Paper%20-%20FINAL.pdf

	Total waste budget[13]	Levy 23/24[14]	As a %	20/80 Model Levy 23/24	20/80 model As a %
Buller District	$2,157,707	$162,577	7.5%	$371,118	17.2%
Queenstown Lakes	$27,217,278	$663,682	2.4%	$847,933	3.1%
Christchurch City	$50,874,000	$6,255,019	12.3%	$5,232,652	10.3%
Auckland City	$184,460,577	$26,642,184	14.4%	$21,377,950	11.6%

The increase to the levy set in June 2024 of $5 per tonne per annum for 3 years will increase the funds available to Councils by about 8% per annum. This is unlikely to enable councils room to spend on new activities because Central government's portion of the levy has been reallocated to activities that are largely unrelated to the promotion and achievement of waste minimisation.

This means no significant investment in alternatives to disposal will be created for households and businesses. It is likely that rising costs for waste disposal and the lack of affordable alternatives will result in more litter, mismanaged waste and illegal dumping. So additional levy funds will be absorbed by compliance, monitoring, enforcement and clean up activity and inflation rather than enable spending on any new waste reduction activities.

Based on the Waste Minimisation Act update proposals it is likely that councils will soon be able to spend their waste levy fund allocations on a wider range of activities. We consider that allowing councils to spend levy funds on emergency waste management, remediation of contaminated sites and vulnerable landfills and a wide range of other projects with environmental benefits is likely to be accompanied by a requirement to do so.

Key issues and opportunities

(Quite a few of the points above also fall into the issues and challenges category but have tried not to duplicate content.)

Te Ao Māori and Mātauranga Māori at the forefront

We fully support the commitment Te Waihanga has made to strengthen partnerships with and unlock opportunities for Maori. A Tiriti-based partnership approach must be part of our future. It is critical that Māori entities and enterprises are able to access, and benefit from the economic opportunities that will flow from ongoing infrastructure development and maintenance.

[13] Council total budget figures are 24/25 from TAO Forum report case studies
[14] Levy allocations from consultation doc p12. Levy 23/24 figures in Consultation doc are the same as quoted by councils for 24/25 in TAO Forum report.

We recognise that upholding Te Tiriti and supporting Indigenous self-determination and kaitiakitanga are essential to addressing the root causes of the waste and climate crises, and to building a truly just and regenerative zero-waste future in Aotearoa.

False solutions are presented as magic bullets

New Zealand's high disposal / low recycling rates and weak standards and compliance, monitoring and enforcement regimes attracting waste to energy incineration companies from parts of the world where investment opportunities are drying up.

The sales pitches for 'waste to energy' facilities are not the same thing as a well reasoned cost benefit analysis or sound risk analysis. They generally over state the benefits and understate the costs and risks.

- **Inefficient means of generating electricity** - High capital input to create a small amount of energy, poor return on investment, already lots of good wind and solar projects in the pipeline, these will deliver a much better return on investment
- **High opportunity cost** - Limited spending power of businesses and households gets tied up in repaying the capital cost and paying the ongoing operational cost of the Incineration facility - communities locked into long term contracts.
- **Dirty form of energy** - Creates negative environmental impacts - Health, primary production, air, water and land pollution. Burning plastic emits GHG.
- **Technical expertise not available in NZ** - NZ does not have the expertise, regulation, standards, Compliance, monitoring and enforcement needed to properly monitor and enforce conditions on Waste to energy facilities. Landfill is reasonably well managed in NZ and we have a lot of technical expertise in the workforce.
- Waste to Energy proposals being put forward by operators with no experience running these types of facilities e.g. Paewira proposal in Te Awamutu.
- **We don't need more disposal options**, the investment gap is around waste reduction and prevention systems which would reduce cost and risk long term.
- **Landfill is a flexible option** as the business model and technology can handle reducing volumes of waste over time as better alternatives and prevention mechanisms come on stream, incineration and waste to energy cannot.
- **Funding models** - Turning plastics into fuel or returning it to constituent chemicals is very capital intensive - funding and finance models need to be clearly understood. If these go ahead, the full cost should be covered by the producers of the packaging and products who create and financially benefit from the problem in the first place.

Confidence around pace and direction of travel is missing

Waste prevention and reduction is low on priority list relative to:

1. Other kinds of infrastructure
2. Other environmental issues e.g. water

3. Clean ups of contaminated, hazardous and vulnerable sites
4. Economic growth at expense of environmental protection.

The need for a clear and consistent approach to policy and regulatory frameworks across time is particularly relevant for the waste reduction and management sector. We have been through a series of Flip - Flops over the last 25 years. This has made it very difficult for our sector to make steady progress year on year. Our current Minister sits outside of cabinet.

This is especially problematic for Local Government which has long lead times in planning and budget allocation e.g. roll backs of obligations around organics collections. The lack of confidence and clarity chills investment and action in all parts of the sector. This is a wasteful approach as time, money and energy goes into useful pieces of work that never get implemented. It is also very disheartening and frustrating to see momentum lost and capacity and capability in our sector being lost.

Two strategies have been produced by Governments since the Infrastructure Strategy was published in 2022.

- Te Rautaki Para - 2023 - comprehensive, developed through a broad consultation process, included targets. This included the development of action and investment plans to coordinate and shape sector development, this work has been stopped.
- The Government's Waste and Resource Efficiency Strategy - 2025 - high level bullet points, no consultation, no targets. Government work programme

This follows an earlier pattern - 2002 - The NZ Waste Strategy - broad consultation, endorsed by LGNZ, targets. Replaced in 2010 by Government - no consultation and high level generic objectives.

Commitment to implementation is the critical long term issue rather than the quality of the detailed strategy / plan documents. South Australia picked up NZ's 2002 Strategy and has successfully implemented it to achieve an 80% diversion rate.

Two missing elements from the document as a whole

Philanthropy, not for profit and community sector

The contribution of this sector is missing from the discussion in the Draft Plan
The plan mainly speaks to Central and local Government and commercial operators. The community, not for profit and philanthropy sectors are involved in producing, maintaining and operating infrastructure especially in the environmental and social spaces.

The language in the Draft plan focuses on the consumer/user rather than public good in some places where public good is a better framing. It would be good to be intentional about the use of these labels in the final Plan text.

Environmental services

Our environment is a form of infrastructure that underpins society and economy. The Draft plan is silent on the value of the ecosystem services provided to the economy and society such as clean air, water quality and availability, soil fertility, cultural services like the value of the conservation estate and other natural places for tourism and recreation, etc

Degradation of, and damage to, the quality of our natural capital will determine the cost and use value of infrastructure in the future. Risks to ecosystem services and natural capital are separate to natural hazards, weather related events or climate change adaptation.

Activities which damage the environment and health of people need to be effectively managed through the Resource Management systems. This is especially critical when we are introducing new risks / harms e.g. Incineration,

It would be worth thinking about how this can be referenced in the Plan e.g. as a third layer on Fig 38 p 129 Environmental services which underpin everything else.