#### **The Covid-19 Response and Recovery Fund (CRRF) waste funding**

The CRRF waste funding totals $124 million for waste initiatives across New Zealand, including:

* + plastic recycling plants and other investments to improve management of plastics
	+ community resource recovery facilities
	+ anaerobic digestion facilities
	+ infrastructure/equipment upgrades for Material Recovery Facilities where recycling is sorted to improve the quality of recycling commodities
	+ weigh-bridges for improved waste data collection and monitoring.

Most projects will get underway in the 2020/21 financial year.

These initial projects will be followed by further investment across the country as funds from the expanded waste levy become available.

All approvals are in principle and subject to contract negotiations. Investment values are also subject to change.

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

Covid-19 exposed the weaknesses in our nation’s recycling systems. It also reinforced that we are not resilient to shocks that may affect international recycling markets, such as restrictions on borders placed in response to Covid-19.

**Local government has urged the Government to use the Covid-19 crisis as an opportunity to change the way we deal with recycled materials in New Zealand.**

Because we currently lack adequate onshore resource recovery infrastructure we:

* + waste large volumes of potentially valuable materials, and send them straight to landfill
	+ collect materials for recycling in ways that substantially reduce their value (eg, glass mixed with paper in co-mingled kerbside collections)
	+ rely heavily on sending waste overseas for recycling – even though this means we are vulnerable to losing markets because of border controls, volatile international markets, and changing standards in what importers will accept.

Public opinions polls consistently see New Zealanders ranking waste as an important challenge facing our country in the next 20 years. We have one of the highest rates of per capita waste disposal in the OECD, and low rates of recycling.

Increasing amounts of waste create risks for nature, human health and sustainable economic development and innovation, including direct and indirect effects of litter, illegal dumping, microplastics, tyre stockpiles, leaching and greenhouse gas emissions.

**What are the expected benefits?**

The package of investments could lead to around 140 new FTE jobs during the construction phase, with a further 250 ongoing jobs around New Zealand.

**Increased investment in waste and resource recovery infrastructure will ensure New Zealand emerges from Covid-19 with a world-leading resource recovery and recycling system, creating hundreds of permanent jobs and incomes spread across New Zealand.**

This investment will enhance the resilience of the waste management system, which is increasingly challenged by volatility in international markets, trade restrictions, and economic shocks.

**Waste Levy Expansion**

The Government is to:

* **Progressively increase the levy rate for municipal landfills** from the current $10 per tonne to $60 per tonne.
* **Expand the levy to cover additional landfill types**, including construction and demolition fills. The current levy applies only to municipal landfills that take household waste, which makes up 45 percent of the tonnage of waste disposed of nationally.
* **Collect better data about New Zealand’s waste and how it is disposed of**, to help us identify and implement waste minimisation measures more effectively.
* **Invest the additional waste disposal levy revenue into initiatives that support waste reduction**, such as building more New Zealand-based recycling infrastructure.

**How much revenue will the levy generate?**

The levy changes are projected to result in revenue of around $276 million per annum by the end of the 2024/25 financial year (the current levy generates around $36 million per annum).

**How will the additional revenue be used?**

It will enable large-scale investment in local infrastructure and services for resource recovery, recycling and reuse, as well as support for small-scale innovation.

**Background information about Green Gorilla and the Waste Minimisation Fund**

***Green Gorilla***

Green Gorilla is a privately owned waste processing facility on a 2.7 ha site in Onehunga, Auckland. It began operating in 2010, providing waste collection, management and recycling services to customers throughout the Auckland region. Green Gorilla is committed to maximising recovery, re-use and recycling from waste. They view landfill as a last resort option.

It is the largest non-landfill owning, full-spectrum waste services provider in Auckland.

The company is 100 percent New Zealand owned and operated. It employs 115 FTEs (73 company employees and 42 contractor owner-drivers).

***Green Gorilla’s new commercial and industrial waste processing line***

Green Gorilla’s new WMF funded commercial and industrial waste line is able to process **mixed commercial and industrial waste** which was previously going to landfill.

Approximately 85 per cent of Auckland’s waste to landfill comes from the commercial and industrial sectors. A significant portion of this waste is not recoverable with existing infrastructure, and is therefore sent to landfill.

The new processing line will initially divert at least 15,000 tonnes from landfill per annum, with the capacity to divert up to 40,000 tonnes per annum within seven years, depending on waste volumes.

As part of the 2017 WMF funding round, Green Gorilla was awarded a WMF grant of $3,060,913 to install a commercial and industrial waste sorting line at the Onehunga plant. The total cost of the project as per the Deed of Funding is $6,121,825 with Green Gorilla contributing $3,060,913 (50 percent).

**The Waste Minimisation Fund**

The Waste Minimisation Fund (WMF) is funded through the waste disposal levy that was introduced under the Waste Minimisation Act 2008.

Fifty per cent of the money collected from the levy is distributed to councils to spend in accordance with their Waste Management and Minimisation Plans. The remainder (minus administration costs) is used for the WMF, which is managed by the Ministry for the Environment.

The purpose of the Act is to encourage waste minimisation and a decrease in waste disposal.

A list of projects that have been awarded WMF funding can be viewed on the Ministry for the Environment’s website [www.mfe.govt.nz/more/funding/waste-minimisation-fund/projects-funded-date](http://www.mfe.govt.nz/more/funding/waste-minimisation-fund/projects-funded-date).