

**Chairperson and Committee Members**  
GRANT ALLOCATION SUB-COMMITTEE

12 DECEMBER 2013

Meeting Status: **Public**

Purpose of Report: For Decision

**APPLICATION TO THE CLEAN TECHNOLOGY INNOVATION FUND BY SILACA GLASS CRUSHERS LTD**

**PURPOSE OF REPORT**

- 1 Silaca Glass Crushers Ltd (Silaca) has made an application to Council's Clean Technology Innovation Fund for a grant of \$25,000. This report seeks a decision on the application.

**SIGNIFICANCE OF DECISION**

- 2 This report does not trigger the Council's Significance Policy.

**BACKGROUND**

- 3 As part of the 2012 Long Term Plan, the Council approved the establishment of a Clean Technology Innovation Fund (the Fund). The purpose of the Fund is to support the development and commercialisation of new clean technologies (report SP-12-690 refers) which contribute to:

- reduced demand for resources;
- reduced resource throughputs;
- reduced waste and emissions discharge into the environment;
- reduced reliance on fossil fuels;
- increased system resilience;

Which will in turn:

- increase sustainable economic development consistent with the aims and outcomes in the Strategy for Supporting Economic Development;
- support a raised profile for the district as a home for innovation and clean technology; and
- increase employment and business growth in Kāpiti.

- 4 The criteria for the Fund allow the Committee to run an annual grant application process and/or to consider applications outside this annual process. To date, the Fund has been used to support the Little Greenie Building Education project.
- 5 Silaca is in the business of crushing glass and turning it into a variety of products and services including paving slabs, abrasive blast media, water filter media and

landscape applications (see Appendix One for a business overview). It is currently located at the Otaki transfer station. It recently received the most promising Clean Technology Achievement Award at the 2013 Kāpiti Horowhenua Business Awards.

- 6 Over the past few years, the Council has supported Silaca in a number of ways including:
- providing it with space to locate at the transfer station;
  - access to glass resources; and
  - grants of \$16,500 in 2010/11 and \$22,000 in 2011/12 from the waste levy grants fund to establish a glass crushing operation and to design and manufacture innovative products containing recycled glass.
- 7 At the present time, Silaca is negotiating with the Council to move its plant from the transfer station to an adjacent piece of Council owned land. Relocation to a new site will require the development of a new health and safety plan and continued compliance with an appropriate plan for that site.

## CONSIDERATIONS

### Issues

- 8 Silaca has applied for a grant of \$25,000 to assist with the automation of its glass crushing plant (application attached in Appendix Two). It needs to automate its plant in order to scale up its production enabling greater commercialisation of products. The automation of the plant would occur once Silaca is located on the new site referred to above.
- 9 The application specifies that the grant will be used for:

Receiving bins/units	\$12,000
Feed belt	\$2,500
Operating motor	\$3,000
Rotary drum screen	\$2,500
Feed conveyor	\$3,000
Operating motor	\$2,000
<b>Total</b>	<b>\$25,000</b>

### Assessment against the Fund criteria

- 10 The business undertaken by Silaca is consistent with the purposes of the Fund, in particular, it contributes to reduced waste and emissions discharge into the environment. It fits generally in the category of 'existing science/technology at a new scale' (see Appendix Three for criteria).

- 11 If successful, the proposal will make a modest contribution to increased sustainable economic development consistent with the aims and outcomes in the Strategy for Supporting Economic Development by supporting a raised profile for the district as a home for clean technology, increasing employment and supporting the growth of a local business.
- 12 The upgraded plant would be able to process glass collected via the kerbside in Ōtaki with the potential to expand to receive all kerbside-collected glass in the District.
- 13 However, the project would not lead to new waste minimisation in Kāpiti; rather, it would divert glass from existing recycling routes. The scale of economic development is likely to be modest, i.e., potential for up to three more full time equivalents employed after the process is automated.
- 14 In summary, this application generally complies with the criteria for the Fund. However, the potential appears to be modest and the proposal lacks innovation and would be better seen as on-going business process improvement.

### Financial Considerations

- 15 The amount of funding approved as part of the 2012 Long Term Plan is set out in the table below.

Table 1: Funding allocated in the 2012 Long Term Plan to the Innovation Fund

2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21 onwards
\$100,000	\$100,000	\$150,000	\$150,000	\$200,000	\$200,000	\$250,000	\$250,000	\$300,000

- 16 In the current financial year \$77,000 is available because some has been set aside to off-set interest on the loan to the Clean Technology Trust. \$40,000 has been allocated to the Little Greenie Building Education project leaving \$37,000 unallocated.

### Legal Considerations

- 17 There are no legal considerations.

### Delegation

- 18 Under Section C.1.6 of the delegations the Committee has the authority to make decisions on this application:

- 7.6 *This Fund is to support the development and commercialisation of innovative technologies and processes in the clean technology sector.*
- 7.7 *The Subcommittee is delegated to consider and approve grant applications excluding any which request an amount totalling more than half the Fund in any one year, or which exceeds \$100,000 over a longer timeframe.*

## Consultation

19 There has been no consultation on this application nor is it required.

## Policy Implications

20 There are no policy implications.

## Tāngata Whenua Considerations

21 There are no Tāngata Whenua considerations.

## Publicity Considerations

22 If the Committee decides to support the application, then some publicity would be appropriate.

## RECOMMENDATIONS

23 The Grants Allocation Subcommittee:

- A) allocates \$\_\_\_\_\_ to Silaca Glass Crushers Ltd. The release of funds shall be subject to:
- i. final agreements to move to a new site;
  - ii. the presentation of invoices for the purchase of the items identified in Paragraph 9 of SP-13-1059;
  - iii. accountability reporting on this grant.

OR

- B) does not allocate funding to Silaca Glass Crushers Ltd.

**Report prepared by:**

**Approved for submission by:**

Philippa Richardson

Stephen McArthur

**Strategic Projects Manager**

**Group Manager Strategy and Partnerships**

## ATTACHMENTS:

1. Business overview
2. Application from Silaca Glass Crushers Ltd
3. Clean Technology Innovation Fund Criteria applied to the application from Silaca