

Chairperson and Subcommittee Members
GRANT ALLOCATION SUBCOMMITTEE

6 DECEMBER 2012

Meeting Status: **Public**

Purpose of Report: For Decision

RECOMMENDATIONS ON WASTE LEVY GRANT APPLICATIONS

PURPOSE OF REPORT

- 1 This report presents for approval:
 - recommendations on the allocation of funding for the current round of the Community Education and Projects Contestable Fund
 - recommendations on responding to Expressions of Interest (EOIs) received for the Innovation: New Technologies and Seed Funding Contestable Fund.

SIGNIFICANCE OF DECISION

- 2 This report does not trigger the Council's significance policy.

BACKGROUND

- 3 The Waste Minimisation Act 2008 requires operators of waste disposal facilities to pay a levy of \$10 (ex. GST) per tonne of residual waste disposed of to landfill. Approximately half of this levy money is allocated by the Ministry for the Environment to local authorities to spend on implementing their waste management and minimisation plans. The remaining money is allocated, through the national Waste Minimisation Fund. Further information on solid waste and legislation is available in the report SP-10-871.
- 4 The Waste Levy Allocation Policy, approved by the Environment and Community Development Committee on 22 July 2010 and updated on 1 September 2011 (Appendix A to this report), sets out how the Council would spend part of this funding.
- 5 The overall objective of the Policy is
 - To ensure optimal and transparent allocation of the national waste levy funding to waste minimisation projects.*
 - To increase the range, scale and number of waste minimisation activities on the Kāpiti Coast through effective use of the waste levy fund.*
- 6 This financial year, \$16,000 (ex. GST) is available for funding under Category 3 of the Waste Levy Allocation Policy: Community Education and Projects Contestable Fund. The maximum allocation per project was set at \$3,200.

- 7 In 2010/11 and 2011/12, \$20,000 and \$25,000 respectively was available under Category 3 with a maximum allocation per project of \$5,000. The limit was set to give multiple groups the opportunity to receive funding. Because less money was available this financial year, the limit was decreased proportionately. In 2013/14, \$20,000 is budgeted for Category 3.
- 8 Applications were called for in September 2012 and six were received before the October 25 deadline. The applications are:

Group	For	Amount applied for (ex. GST)
Residents of Eruini St & Queens Rd, Waikanae (7+ households)	Mulcher, safety equipment and tutorial, scythe starter kit, compost bin/worm farm/bokashi and rodent trap purchase or subsidy (5-7 households)	\$3,200.00
Paekakariki Playcentre	Composting workshop, two worm farms, one compost vessel, community compost bin/worm farm/bokashi subsidy (up to 25 households)	\$3,200.00
Raumati South Kindergarten	Water tank, pump, plumbing work and compost tumbler (bio-digester)	\$2,408.71
Paraparaumu Playcentre	Worm farm	\$410.87
Paraparaumu School	Four worm farms, lime, compost bin, signage and receptacles, admin costs	\$2,383.43
Raumati South School Electronics Club	Two educational recycling bins, marketing and promotion	\$2,720.00
TOTAL		\$14,323.01

- 9 The applications have been assessed against the criteria in the Waste Levy Allocation Policy. All are recommended for approval either in part or whole, two with recommended additions after follow up discussions with the applicants. A description of each application follows in the next section of this report. Applications are attached as appendices B – G.
- 10 The recommendations presented in this report leave Category 3 undersubscribed by \$3,599.57. It is proposed to use the unallocated funds to purchase 100 recycling crate trolleys (at approximately \$35 per unit). The trolley (currently being developed in conjunction with Envirowaste) allows users with limited mobility enhanced access to the kerbside recycling service. An early prototype of the trolley was exhibited at the 2012 Sustainable Home and Garden Show and attracted considerable interest from guests. A survey indicated that people were willing to pay up to \$50 per unit. The trolley would be sold at cost price via Council Service Centres with the income being paid back into the fund. No funding is available from other budgets to cover the upfront purchase cost.
- 11 Businesses had the opportunity to bid for \$25,000 under Category 4 of the Waste Levy Allocation Policy: Innovation: New Technologies and Seed Funding Contestable Fund. EOIs were called for in September 2012 and four were received before the October 25 deadline. The applicants are:

Business Name	Project	Amount applied for (ex. GST)
Coastlands	To engage a contractor to carry out waste audits and identify waste minimisation opportunities	\$3,450.00
Silaca Glass Crushers	To develop, test and commercialise a masonry block made with recycled glass	\$19,000.00
Midwest Disposals Limited	To continue subsidising TV recycling by 50% after the money set aside for this purpose in 2011/12 is used up	\$8.70 per TV (\$20-30,000 for one year)
Biobagga Limited	To contribute towards an in-vessel composting trial for four different waste streams: wet sewerage sludge (in an emergency situation), food waste, paunch grass and grape marc	\$25,000.00

- 12 The EOIs have been assessed against the criteria in the Waste Levy Allocation Policy. A summary of the EOIs and issues for consideration follows in the next section of this report. EOIs are attached as appendices H – K.
- 13 The applicant(s) who pass this first assessment stage will be invited to develop a full proposal or business case before the end of February 2013. A decision on the final allocation of funding for Category 4 will be required on 19 March 2013.
- 14 Updates from two projects that previously received funding under Category 4 are attached as appendices L – M. Carbon Partnership was awarded \$30,658 in the 2010/11 funding round to carry out a two-year household anaerobic digestion trial. Silaca Glass Crushers was awarded \$22,000 in 2011/12 for the development of a new building material ‘Plasglass’ made from recycled plastic and glass.

CONSIDERATIONS

Category 3: Community Education and Projects Contestable Fund

- 15 Refer to Appendix A for the objectives and requirements of Category 3 projects under the Policy.

Applications

- 16 **Residents of Eruini St & Queens Rd, Waikanae** have applied for \$3,200 to purchase a mulcher (\$1,734.78), safety gear and tools (\$115.71), scythe starter kit (\$324.78) and to use the remainder to subsidise organic waste treatment systems (worm farms, bokashi bins or compost vessels and rodent traps) for five to seven households.
- 17 In 2011/12, conditions for the use of Waste Levy community grant-funded mulchers were implemented. Applicants were required to agree to the conditions (set out in the Recommendations section of this report) in order to receive funding. If the applicants did not accept the conditions, they were permitted to

apply to use the money for alternative waste minimisation initiatives. In the event that the residents of Eruini St & Queens Rd do not accept the conditions, it is proposed that their alternative application (if applicable) is reviewed and approved by the Chair of the Grant Allocation Subcommittee and the Waste Minimisation & Services Officer.

- 18 A scythe is an agricultural hand tool used for mowing grass and reaping crops. The scythe starter kit is not eligible for funding because it does not lead to long term reduction in waste to landfill. It is recommended that the application for \$3,200 is approved minus \$324.78 for the scythe starter kit. Staff have discussed the ineligibility of the scythe starter kit with the group and the applicant has proposed to instead use the \$324.78 to fund a Green Gardener composting workshop (\$43.48) and the remainder (\$280.30) to further subsidise organic waste treatment systems for the households. It is recommended that this alternative proposal is approved.
- 19 **Paekakariki Playcentre** has applied for \$3,200 to purchase two worm farms (\$447.83 per unit including freight) and one composting vessel (\$78.24). The remainder (\$2,226.10) will be used to fund a Green Gardener composting workshop for families of the Playcentre (25 households) and to subsidise organic waste treatment systems for the participants. The treatment system (worm farm, bokashi bin or compost vessel) will be selected according to each family's needs. Some families already have systems in place and will not require the subsidy. It is recommended that the application for \$3,200 is approved.
- 20 **Raumati South Kindergarten** has applied for \$2,408.71 to purchase a worm farm (\$490.00), rainwater collection tank (\$1,209.50) and to upgrade their bore (\$709.20). The original application requested a compost tumbler, but was updated to include a worm farm as the Kindergarten's preferred organic waste treatment system. The worm farm will be used to process excess greenwaste and paper towels which currently go to landfill. The rainwater collection tank and bore upgrade are not eligible for support from this fund because they do not lead to long term reduction of waste to landfill. It is recommended that \$490.00 for the worm farm only is approved for funding.
- 21 **Paraparaumu Playcentre** has applied for \$410.87 to purchase a worm farm. The Playcentre received a grant of \$402.17 from this fund in 2011/12 – also for a worm farm. However, one worm farm has not been sufficient to treat all of the kindergarten's food waste. The Playcentre has recently implemented other waste minimisation initiatives such as 'litterless lunches' and is fundraising to purchase a bio-digester through the sale of worm 'wee'. It is recommended that the application for \$410.87 is approved.
- 22 **Paraparaumu School** has applied for \$2383.43 to purchase four worm farms (\$432.50 per unit including freight), lime (\$26.03), one plastic compost vessel (\$171.30), signage and classroom receptacles (\$30.00), and to cover the project's administration costs of employing a relief teacher to replace the enviro-schools lead teacher for two days to action waste reduction initiatives (\$426.09).
- 23 The sum requested for project administration costs is in excess of \$320.00 – the maximum available for this purpose. As an alternative to the plastic compost vessel, the School proposed to construct a compost bay out of macrocarpra

sleepers. This alternative option is less expensive and likely to be more durable than the plastic vessel. Furthermore, it presents an opportunity for the school community to develop skills. The original application did not allocate any funds to purchase worms for the worm farms. A follow up discussion revealed that this was an omission and that worms will in fact be required.

- 24 It is recommended that the application is approved with the following alterations: \$320.00 only is granted to cover administration costs; \$55.05 only is granted for materials to construct a compost vessel as per the School's alternative proposal; an additional \$175.00 (maximum) is granted to purchase 2kg of composting worms (500g per worm farm); and, taking into account follow up discussions with the applicant, an additional \$43.48 is granted to subsidise a school composting & vermiculture workshop from the Council's Green Gardener. The application with recommended alterations comes to a total of \$2,379.57.
- 25 **Raumati South School Electronics Club** has applied for \$2720.00 to purchase materials to construct an educational recycling station (\$1,290), demonstrate the innovation at the Ellerslie Flower Show (\$480.00) and promote it nationwide (\$950.00). The recycling station will house two 'talking bins' which play recorded messages to encourage recycling and/or educate users about what materials can be recycled. One bin will be for general waste and the other will be for recyclables. The electronics will track how often each bin is used and the trend will be studied over time. An additional benefit will be a reduction of litter around the school because the recycling station will be fun to use.
- 26 Funding is only available for projects taking place within the boundaries of the Kāpiti Coast District Council. The Ellerslie Flower Show demonstration and nationwide promotion of the initiative do not meet this criterion. It is recommended that \$1,290 for the funding of materials only is approved.

Category 4: Innovation: New Technologies and Seed Funding Contestable Fund

- 27 Refer to Appendix A for the objectives and requirements of Category 4 projects under the Policy.

EOIs

- 28 Under the evaluation process, EOIs that pass this first assessment stage will be asked to develop a full proposal or business case before the end of February 2013. EOIs for Category 4 are:
- A. For new technology proposals
 - B. For businesses using proven existing technologies and processes
- 29 **Coastlands** has applied for \$3,450 to engage a contractor to carry out waste audits and identify waste minimisation opportunities at its shopping mall in Paraparaumu. Coastlands would contribute 50 percent towards the project's total estimated cost of \$6,900. Under the Policy, a full business case is expected to contain information about waste streams and costs. This information would not be known until the completion of the project. Furthermore, estimates of the scale and performance of the project in terms of waste minimisation will be required.

Because the project is a data collection and analysis exercise, it will not directly result in waste minimisation. Waste minimisation would only occur if Coastlands decides to implement initiatives identified by the contractor. The EOI briefly outlines an 'implementation' stage for which funding is not sought. The implementation stage would in fact better address the criteria under Category 4B.

- 30 The Council's Waste Minimisation & Services Officer (WMO) is available to provide assistance identifying and implementing waste minimisation initiatives. This service is offered free-of-charge to Kāpiti businesses and may negate the need to engage contractors (depending on the WMO's schedule). It is recommended that Coastlands is not invited to develop its EOI into a full business case for funding under Category 4B; and, instead, the applicant is offered practical assistance from the WMO.
- 31 **Silaca Glass Crushers** has applied for \$19,000 to develop, test and commercialise a masonry block made with recycled glass under Category 4A. Incorporating recycled glass into masonry blocks is not regarded as a new technology with numerous examples existing worldwide. Therefore, the funding requested is more applicable to Category 4B. Silaca currently markets the masonry block on its website. This suggests that the product is already commercialised, negating the need for additional funding.
- 32 This fund is intended to promote innovation and not to subsidise ongoing business costs. Silaca has already received \$22,000 in 2011/12 and \$16,500 in 2010/11 for the development of innovative products containing recycled glass. Silaca currently processes all Council-owned glass from Ōtaki Transfer Station and Waikanae Recycling Centre. It is recommended that Silaca is not invited to develop its EOI into a full business case for funding under Category 4B.
- 33 **Midwest Disposals Limited** has applied to continue subsidising TV recycling by \$10 inc. GST per unit at Otaihanga Resource Recovery Centre. In 2011/12, \$33,000 of unallocated funds in Category 4 was reserved to subsidise TV recycling under Category 2 of the Policy: Minimisation Incentives: Contracts. The subsidy pool is expected to last until mid-2013. For this funding round, it is not recommended to reallocate money to Category 2 because Biobagga's EOI (see paragraphs 34-35) meets the criteria to advance under Category 4. Should Biobagga's full proposal not be suitable for funding, Midwest's application may be revisited.
- 34 **Biobagga Limited** has applied for \$25,000 to contribute towards an in-vessel composting trial to treat four different industrial organic waste streams: paunch grass, wet sewerage sludge (in an emergency situation and during boiler maintenance periods), food waste and grape marc. Biobagga is based in Upper Hutt and has a working relationship with the Kāpiti-based company Composting New Zealand. If the trial is successful, Biobagga proposes to operate on land leased from Council by Composting New Zealand at the Otaihanga Landfill. The EOI was presented under Category 4B, but is more applicable to Category 4A because the outcome of the trial is not yet known. A business case would only be developed if the trial is successful.
- 35 Biobagga proposes to use \$12,000 to prepare the site (on Otaihanga Landfill) and \$13,000 to cover infrastructure depreciation costs. The fund is not intended to be

used to subsidise operating costs such as depreciation. A full proposal would be required to take this into account and use the \$13,000 to contribute to capital/start-up costs in line with the Policy. The total estimated project cost is \$110,000 with Biobagga contributing \$85,000. If successful, the trial would result in a diversion option for waste streams currently going to landfill. It is recommended that Biobagga is invited to develop its EOI into a full proposal for funding under Category 4A.

Financial Considerations

- 36 All applications have either provided a bank account number or are willing to open a bank account. This would enable them to purchase goods directly. All applicants would be required to have made their purchases within six months of receiving the grant. Unspent funds will be returned to Council.
- 37 The recommendations for Category 3 result in a grand total of **\$12,400.43**. Waste Levy funds can be carried over between financial years. There is no impact on rates funding. It is proposed to use the unallocated funds (\$3,599.57) for the upfront purchase of approximately 100 recycling crate trolleys as described in paragraph 10. The trolley would be sold at cost price via Council Service Centres with the income being paid back into the fund.

Legal Considerations

- 38 There are no legal considerations for Council. The applicants themselves are responsible for ensuring their activities comply with all relevant laws and regulations. The allocation and use of the funding will be subject to audit by the Ministry for the Environment.

Delegation

- 39 The Grants Allocation Subcommittee may make a decision under Clause 7 of Section C.1 of the Governance Structure and Delegations: "Authority to assess all applications and allocate funds for the Waste Levy Fund grants."

Policy Implications

- 40 The applications and EOIs have been assessed against the criteria in the Waste Levy Allocation Policy 2011.

Publicity Considerations

- 41 The funded projects will be publicised by the Council through media releases, the Council's sustainability newsletter: 'On To It,' and other communication avenues such as the Sustainable Home and Garden Show.

RECOMMENDATIONS

- 42 That the Grant Allocation Subcommittee approves the list of funding as set out in paragraphs 16 to 26 of the report IS-12-725 summarised in the following table:

Group	For	Amount from Fund Recommended (ex. GST)
Residents of Eruini St & Queens Rd, Waikanae (7+ households)	Mulcher, safety equipment and tutorial, composting workshop, compost bin/worm farm/bokashi and rat trap purchase or subsidy (5-7 households)	\$3,200.00
Paekakariki Playcentre	Composting workshop, two worm farms, one compost vessel, community compost bin/worm farm/bokashi subsidy (up to 25 households)	\$3,200.00
Raumati South Kindergarten	Worm farm	\$490.00
Paraparaumu Playcentre	Worm farm	\$410.87
Paraparaumu School	Four worm farms, 2kg of worms, lime, compost bin, signage and receptacles, admin costs, composting/vermiculture workshop	\$2,379.57
Raumati South School Electronics Club	Two educational recycling bins	\$1,290.00
TOTAL		\$12,400.43

- 43 That the release of funding to the residents of Eruini St & Queens Rd is subject to the condition that mulcher users:
- a) will undertake mulcher safety training with an appropriate professional;
 - b) will take responsibility for mulcher maintenance and managing of the equipment and that;
 - c) other community groups and residents are able to use the mulcher for community projects while complying with conditions a) and b);
 - d) provide an annual report back to Council on actual usage of mulcher and relevant community project; and
 - e) develop a policy/procedure to protect the mulcher against theft given the high cost of insuring this type of asset (~\$500 per annum).
- 44 That the Grants Allocation Subcommittee approves using the unallocated funds from Category 3 to purchase approximately 100 recycling crate trolleys to be on-sold at cost price as described in paragraph 10 and the money returned to the Fund.
- 45 That the Grants Allocation Subcommittee invites Biobagga Limited to develop its EOI into a full proposal for funding under Category 4A.

Report prepared by:

Approved for submission by:

Simon Calcinai

Sean Mallon

Waste Minimisation & Services Officer Group Manager Infrastructure Services

ATTACHMENTS:

Appendix A – Waste Levy Allocation Policy 2011

Appendix B – Residents of Eruini Street & Queens Road Grant Application

Appendix C – Paekakariki Playcentre Grant Application

Appendix D – Raumati South Kindergarten Grant Application

Appendix E – Paraparaumu Playcentre Grant Application

Appendix F – Paraparaumu School Grant Application

Appendix G – Raumati South School Electronics Club Grant Application

Appendix H – Coastlands EOI

Appendix I – Silaca Glass Crushers EOI

Appendix J – Midwest Disposals Limited EOI

Appendix K – Biobagga Limited EOI

Appendix L – Update on Carbon Partnership’s household anaerobic digester trial

Appendix M – Update on Silaca Glass Crushers’ ‘Plasglass’ recycled building material project