

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

24 MARCH 2015

Meeting Status: **Public**

Purpose of Report: For Decision

## **WASTE LEVY ALLOCATION 2014/15 : CATEGORY 2**

### **PURPOSE OF REPORT**

- 1 This report seeks approval for the proposed allocation of Waste Levy funding under Category 2 of the Council's Waste Levy Allocation Policy: Contractor Incentives.

### **DELEGATION**

- 2 Under the Governance Structure and Delegations framework for the 2013-2016 triennium, the Grants Allocation Sub-Committee has the following delegated authority:

*DELEGATED AUTHORITY:*

*"7 .The Subcommittee will have the authority to assess all applications and allocate funds for the following grant programmes:*

***Waste Levy Fund grants***

*7.5 The objective of this programme is to assess applications and allocate Waste Levy grants for projects which achieve a high level of community involvement in practical on-the-ground waste minimisation projects which encourage community participation and long term action"*

### **BACKGROUND**

- 3 Since December 2011, TVs and CRT computer monitors have not been accepted as general waste at transfer stations in Kāpiti. Instead, a recycling fee is charged at the gate. That fee has been \$10 incl gst per item since December 2011, but the actual cost of recycling was around \$25 excl. gst per item plus transport cost.
- 4 A total of \$58,000 excl GST was allocated under Council's Waste Levy Allocation Policy to subsidise the actual cost in order to keep the gate fee at \$10 incl GST per unit. The money was allocated under Category 2: Minimisation Incentives: Contracts (reports IS 12-483 and IS-13-189). Over 4,600 units have been recycled since 2011. Of the \$58,000 subsidy allocated with payments up to date to January 2015, \$11,162 remains at this time.
- 5 The subsidy was proposed and approved in anticipation of the switchover to digital television as well as in anticipation of central government progressing E-waste recycling options and product stewardship.

## POLICY CONSIDERATIONS

- 6 The Council's Waste Levy Allocation Policy sets out a contestable process for the funding of community and business/innovation projects (categories 3 and 4). Please refer to as discussed in report IS-15-1492. The contestable funding process under categories 3 and 4 of the Policy requires decision making by the Grants Allocation Sub-Committee,
- 7 The Policy also describes two additional categories for allocation of funding; Category 1: Waste Flows: Data Collection and Category 2: Minimisation Incentives: Contracts. The Policy does not require decision making by the Grants Allocation Sub-Committee but it was decided in 2011, when the first money had been allocated under Category 2 that allocation would be subject to Committee approval.
- 8 Since the Policy was drafted in 2010, the delivery of solid waste services including allocation of the levy money has changed significantly; a waste minimisation officer position was created in August 2011, which is funded with waste levy money. Council adopted a Regional Waste Management and Minimisation Plan in 2012 and is required by law to spend levy money in accordance with this plan, which also includes spending money on Regional Actions such as the Regional Food Survey. Council reports once a year to the Ministry for the Environment on spending and is subject to audit by the Ministry. Please refer to paragraph 30 of report IS-15-142 with regard to the audit that was conducted in November 2013.

## CONSIDERATIONS ON TV RECYCLING SUBSIDY

- 9 The Ministry for the Environment has made some progress since 2011 towards establishing a product stewardship scheme for electronic waste. A successful scheme would likely see the end-of-life recycling costs built into the purchase price of a product, resulting in free-of-charge drop off at transfer stations and other collection points. A consultation process is currently under way and recommendations will be presented to the Minister in 2015. It is probable that a lengthy period of consideration, planning and lead in time will follow; a solution is not expected before 2016/17.
- 10 This prompts reconsideration of continued subsidising of TV recycling now that the period to be bridged towards definite systems and legislation is going to be longer than what was expected originally in 2011.
- 11 In addition, due to recent changes in the New Zealand Ewaste recycling market, it has become clear that a subsidy of \$10 per unit and a gate fee of \$10 are no longer adequate to cover the increased actual cost of recycling TVs and computer monitors. Accordingly, recyclers have raised their rates to ~\$40 incl GST per unit. Neighbouring councils and the recycling facility in Porirua have recently increased their gate fees for recycling to \$25 per unit.
- 12 The operators of the resource recovery facilities in Otaihanga and Ōtaki have indicated they need to raise the gate fee to cover the actual cost of recycling and transport to a recycling facility in the Wellington region.
- 13 To ensure that TV recycling remains available and affordable for residents, it is proposed to increase the Council's level of subsidy per unit to \$15 per unit per 1 April 2015.

- 14 It should be noted that even with \$15 subsidy per unit, the current gate fee of \$10 will still have to be increased to enable the operator to cover most of the recycling cost plus transport. It is anticipated that the operators will increase their gate fee in line with what has happened elsewhere in the Region. This would mean that part of the cost would still be funded by the operators.
- 15 An average of 144 items per month are brought into Otaihanga and Otaki for recycling (131 items via Otaihanga). If the subsidy per item is increased as proposed to \$15 per item per 1 April the remaining \$11,162 available on 1 January 2015 is expected to last to end July 2015.
- 16 To maintain this waste minimisation option and positive behaviour change as a result of affordable gate fees for recycling, it is proposed to allocate a further \$20,000 towards continued subsidising of TV recycling. This additional subsidy is expected to support TV recycling up until April 2016 or for a longer period if fewer items than estimated are recycled. Updates on expenditure and further proposals (if required) will be provided in future reports to this Committee.
- 17 This money would come from increased Levy payments since July 2014 and underspent funds carried over from previous Levy budgets.

### Legal considerations

- 18 There are no legal considerations for the Council.

### Financial considerations

- 19 The Council is required to spend Levy funding in accordance with its action list in the Wellington Region Waste Management and Minimisation Plan (WMMP).
- 20 Subsidising of E-waste recycling takes place under actions KC23 and KC24 of the WMMP as has been reported to the Ministry in previous years.
- 21 Funding is available within the current waste levy budget.

## **SIGNIFICANCE AND ENGAGEMENT**

### Degree of significance

- 22 This matter has a low level of significance under the Council policy.

### Publicity

- 23 A media release could be developed around the importance of recycling and how Council is supporting this in Kāpiti to keep it available and affordable.

## **RECOMMENDATION**

- 24 That the Grant Allocation Sub-Committee approves the allocation of \$20,000 to be used for continued subsidising of recycling of TV and Crt-monitors as described in report IS-15-1531.

**Report prepared by**   **Approved for submission**   **Approved for submission**

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