

**Chairperson and Subcommittee Members**  
GRANTS ALLOCATION COMMITTEE

8 DECEMBER 2016

Meeting Status: **Public**

Purpose of Report: For Decision

## **WASTE LEVY ALLOCATION CATEGORY 2 - CONTRACTOR INCENTIVES**

### **PURPOSE OF REPORT**

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

### **DELEGATION**

- 2 The Grants Allocation Committee may make a decision under Section B.6 of the Governance Structure and Delegations:

*"The Committee will consider and allocate grant moneys in accordance with the meeting cycles and criteria of five granting programmes, including the Waste Levy Fund grants."*

### **BACKGROUND**

- 3 The Waste Minimisation Act 2008 requires operators of waste disposal facilities to pay a levy of \$10 per tonne of residual waste disposed 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 Since December 2011, TVs and cathode ray tube (CRT) computer monitors have not been accepted as general waste at transfer stations in Kāpiti. Instead, they are collected for recycling and transported to Remarkit in Grenada, Wellington. The cost of recycling and transport has been covered partly by gate fees and partly by a Council subsidy paid from Waste Levy funds. In December 2011, recycling costs were around \$25 per item (plus transport). The gate fee was \$10 incl. GST, supplemented by a \$10 subsidy. The difference was covered by transfer station operators. Since then, the recycling cost has risen to around \$40 per item. To reflect this cost increase, the subsidy was increased to \$15 per item in April 2015, and the gate fee was increased to \$20 in June 2015. The difference is still covered by transfer station operators.
- 5 A total of \$78,000 excl. GST has been allocated under Council's Waste Levy Allocation Policy since 2011 to subsidise the actual cost of recycling TVs in order to lower the gate fee. The money was allocated under Category 2: Minimisation Incentives: Contracts (reports IS 12-483, IS-13-819, and IS-15-1531). Over 7,240 units have been recycled since 2011. As of September 2016, \$7,159.51 of allocated funds remains. This is expected to be spent by around February 2017.

- 6 The subsidy was originally 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. Since the digital switchover in 2013, the numbers of TVs and CRT monitors dropped off for recycling have declined (from 1,693 units dropped off in 2013/14 to 1,017 units in 2015/16), but are still significant. The Ministry for the Environment held consultations on establishing a product stewardship scheme for E-waste in 2014/15, but this did not result in a mandatory product stewardship scheme being established. It is now very unlikely that such a scheme will be established in the short to medium term.

## ISSUES AND OPTIONS

### Proposal to continue subsidising TV and CRT monitor recycling

- 7 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 and CRT recycling up until March 2018 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.

## CONSIDERATIONS

### Policy considerations

- 8 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 report IS-16-2014 for more information. The contestable funding process under categories 3 and 4 of the Policy requires decision making by the Grants Allocation Committee.
- 9 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 Committee for these two categories, but it was decided in 2011, when the first money had been allocated under Category 2, that allocation would be subject to Committee approval.
- 10 Since the Policy was drafted in 2010, the delivery of solid waste services including allocation of the levy money has changed significantly. For instance, 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 (WMMP) 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 Love Food Hate Waste campaign. Council reports once a year to the Ministry for the Environment on spending and is subject to audit by the Ministry.
- 11 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.

### Legal considerations

- 12 There are no legal considerations for the Council.

## Financial considerations

13 Funding is available within the current waste levy budget.

## **SIGNIFICANCE AND ENGAGEMENT**

### Degree of significance

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

### Publicity

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

## **RECOMMENDATIONS**

16 That the Grants Allocation 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-16-031.

<b>Report prepared by</b>	<b>Approved for submission</b>	<b>Approved for submission</b>
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