

**Chairperson and Committee Members**  
GRANTS ALLOCATION COMMITTEE

15 NOVEMBER 2018

Meeting Status: **Public**

Purpose of Report: For Decision

## **RECOMMENDATIONS ON WASTE LEVY GRANT APPLICATIONS**

### **PURPOSE OF REPORT**

1. This report seeks approval for:
  - The allocation of funding for the current round of the Community Education and Projects Contestable Fund (Category 3).
  - Authority to invite applicants who submitted Expressions of Interests for Innovation: New Technologies and Seed Funding grants (Category 4) to submit full applications.

### **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 of to landfill. Approximately half of this levy money is allocated by the Ministry for the Environment (MfE) to local authorities and must be spent on implementing their waste management and minimisation plans. The other half is allocated by MfE 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** attached to this report), sets out how the Kāpiti Coast District Council (Council) would allocate part of the waste levy funding received from the Ministry for the Environment for waste minimisation projects in the Kāpiti district via a contestable grants scheme.
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. Category 3 of the Waste Levy Allocation Policy: Community Education and Projects Contestable Fund seeks to support practical on-the-ground waste minimisation projects which encourage community participation and education and/or are of benefit to the community of Kāpiti and lead to long term waste minimisation action. A total of \$20,000 is available for allocation.
7. Category 4 of the Waste Levy Allocation Policy: Innovation: New Technologies and Seed Funding Contestable Fund seeks to encourage the establishment of waste minimisation businesses on the Kāpiti Coast and create opportunities for waste minimisation and economic development through innovative processes and technologies. A total of \$50,000 is available for allocation.

## ISSUES AND OPTIONS

### Applications for Category 3 – Community Education and Projects

8. Applications for Category 3 were called for in August 2018. Ten (10) applications were received, requesting a total amount of \$20,840.95. This means the fund is oversubscribed by \$840.95. All full applications are attached to this report (**Appendix B**).
9. The applications were assessed against the criteria in the Waste Levy Allocation Policy. Some applicants were contacted by a Council staff member for clarification or to request further information. Following that process, five applications are recommended for full funding, two for part funding and three applications are recommended to be declined. Refer to **Table 1** and **Sections 10 to 19** for further detail.

**Table 1: Funding recommendations for Category 3 applications.**

APPLICATIONS RECOMMENDED FOR FULL FUNDING			
No	Applicant	Requested	Recommended
1	Zero Waste Ōtaki	\$2,689.99	\$2,689.99
2	Repair Cafe Kāpiti	\$2,300.00	\$2,300.00
3	Organic Wealth	\$4,488.00	\$4,488.00
4	Ōtaki Kite Festival	\$1,000.00	\$1,000.00
5	Raumati South Kindergarten	\$380.00	\$380.00
APPLICATIONS RECOMMENDED FOR PART FUNDING			
No	Applicant	Requested	Recommended
6	Centre Kidz Preschool	\$744.96	\$534.96
7	Best Start Paraparaumu	\$3,000.00	\$1,537.95
APPLICATIONS RECOMMENDED TO BE DECLINED			

No	Applicant	Requested	Recommended
8	Environmentalist Ltd	\$1,500.00	\$0.00
9	Kāpiti Community Centre Garden	\$138.00	\$0.00
10	Māoriland Charitable Trust	\$4,600.00	\$0
<b>Total</b>		<b>\$20,840.95</b>	<b>\$12,930.90</b>

10. **Zero Waste Ōtaki** has applied for \$2,689.99 to enable two people to attend courses run by the Zero Waste Network. One course is a Certificate in Resource Recovery Operations and one in Resource Recovery Management. Funding will also cover the cost of a one day workshop with Matt Luxon of Zero Waste Network to develop a business plan and a health and safety plan for running a resource recovery centre. The intention is that the knowledge gained from the training will be put towards establishing a community led resources recovery project which will divert recoverable waste from landfill. This application is well aligned with the primary criteria of the fund and therefore the recommended is to fully fund the project.
11. **Repair Cafe Kāpiti** has applied for \$2,300.00 to organise and run two repair cafés in the next 12 months. Repair cafés are an established waste minimisation concept using skilled volunteers (e.g. carpenters, electricians) to extend the life of items that would otherwise be disposed of to landfill. The initiative is well aligned with the primary criteria of the fund and it is therefore recommended that the application is fully funded.
12. **Organic Wealth** has applied for \$4,488.00 to help Kāpiti coffee shops to divert their coffee grounds from the landfill. They have been running a trial that collects used coffee grounds from two Coastlands cafes, diverting them to local gardens around the region. In partnership with Coastlands Shopping management, Organic Wealth has successfully diverted over 1.2 tonnes of grounds in the past three months from two cafes. The funding requested will go towards allowing them to extend this service to more local cafes. The initiative is well aligned with the primary criteria of the fund and it is therefore recommended that the application is fully funded.
13. **Ōtaki Kite Festival** has applied for \$1,000.00 to enable them to promote and implement waste minimisation initiatives for the 2019 Ōtaki Kite Festival. This event attracts large numbers and in the past the organisers of the event have demonstrated a genuine commitment to waste reduction. Whilst this funding is specific to an individual event, there is research to demonstrate that when community are exposed to waste minimisation at events they are more likely to implement these same practices at home thus resulting in long term waste minimisation. The project is aligned with the primary funding criteria and therefore the recommendation is to fully fund this application.
14. **Raumati South Kindergarten** has applied for \$380.00 to purchase two rolling compost bins to process their food scraps and paper towel waste. They would like to enable the children to take an active role in the composting process to allow them to develop a greater understanding around kaitiakitanga. The application aligns with the primary funding criteria and as such it is recommended that the project receives full funding.

15. **Centre Kidz Preschool** has applied for \$744.96 to cover the costs of a rotational compost bin, garden tools and two rainwater tanks. The preschool has recently set up a community garden on land gifted to them by the neighbouring church and intend to use the requested infrastructure to help develop and maintain this garden. The recommendation is to fund the full cost of the compost bin and the tools which amounts to a total of \$534.96. While it is recognised that the rainwater tanks are a good asset to support the development and maintenance of the community garden they are not directly related to waste reduction and therefore it is recommended that these are not funded through the waste levy. We would however encourage the preschool to apply to the Greener Neighbourhoods fund for the rainwater tanks as this is a more appropriate fit.
16. **Best Start Paraparaumu** has applied for \$3000.00 of funding to support their sustainability and recycling programme which seeks to involve tamariki in the process of composting and the development of vegetable gardens. The centre is clearly committed to implementing sustainable practices and the request for worm farms, compost bins and tools is a good fit for the waste levy fund. It is therefore recommended that Council allocate Best Start \$1,537.95 to obtain the aforementioned resources. The application also requests funding for three garden beds and one water tank. While it is recognised that the garden beds and water tank are a good initiative to help enhance the children's understanding of sustainability they are not directly related to waste reduction and therefore it is recommended that these components are not funded through the waste levy. We would however encourage the preschool to apply to the Greener Neighbourhoods fund for the garden set up as this is a more appropriate fit.
17. **Environmentalist Ltd** has applied for \$1,500.00 to purchase a range of equipment for use in the process of recycling old lithium ion battery packs. The intention is that recovered viable battery cells would be sold for use in power walls and vapes. While the initiative does meet the primary criteria and focuses on a priority waste stream there is considerable concern in regards to the Health and Safety of this operation and also uncertainty around whether the recycled units would be safely resalable. As such the recommendation is to decline this application in its current form and encourage the application to prepare and present a more robust business plan for consideration in next year's funding round.
18. **Kāpiti Community Centre Garden Group** has applied for \$138.00 to purchase two different worm farms for use in the Te Newhanga Community Centre garden (previously known as the Kāpiti Community Centre). The intention is that these resources would be demonstrated by Councils Green Gardener during the monthly workshops held at the centre. While a good initiative, this application does not meet all of the primary funding criteria, and therefore the recommendation is to decline the application and fund this through other Waste Levy moneys set aside for composting education.
19. **Māoriland Charitable Trust** has applied for \$4,600.00 to fund a range of initiatives to reduce waste at the 2019 Māoriland Film Festival. This group received \$3,015.00 in the 2017/18 funding round for same purpose. The application submitted for this funding round lacked sufficient detail to understand clearly what all elements of the funding would go towards and the additional information requested by Council has not been received nor has the final report from their previous funding round (which is a requirement of the grant process). The recommendation is to decline this application and suggest to the group that

they consider applying for assets in next year's funding round that will enable them to manage and minimise festival waste in the long term.

20. Of the \$20,000.00 available under Category 3 it is recommended that \$12,930.90 is allocated as outlined above. The unallocated \$7,069.10 can be carried over for future years.

## Expressions of Interest for Category 4 – New Technologies and Seed Funding

21. Expressions of Interest (EOI) for Category 4 were called for in August 2018. Five EOI applications were received, requesting a total amount of \$155,440.00.
22. The fund pool is subdivided into two categories:
- Category A is for new technology proposals
  - Category B is for businesses using proven existing technologies and processes
23. Allocation of funds under Category 4 is carried out in a two-step process. At the first stage, applicants are invited to submit a brief Expression of Interest (EOI). Based on the EOI fit with the grant criteria, selected applicants are invited to submit a full application (stage 2). Allocation of funding is then based on these full applications. Refer to **Table 2** below for more detail on the allocation process.

**Table 2: Funding allocation process for Category 4 - New Technologies and Seed Funding.**

Activity	Date
EOI submission deadline	21 September 2018
EOIs to go forward to full application stage selected	21 September – 15 November 2018
EOI submitters notified of decisions	By 16 November 2018
Selected projects submit full applications	16 November 2018 – 08 February 2019
Project selection made by the Council	March 2019
Applicants notified of results	March 2019

24. Council Officers assessed the EOI applications against the criteria in the Waste Levy Allocation Policy. Following that process it is recommended to invite four of the five applicants to submit full applications for their projects. A brief description of each application and the associated recommendations are provided in **Sections 25 to 29** below. Full EOI applications are appended to this report (**Appendix C**)
25. **Organic Wealth** has submitted an EOI for \$7,940.00 of seed funding to carry out a feasibility study to assess the practicality of setting up a viable commercial composting facility for the Kāpiti region to process organic waste generated from businesses and residential properties in the district. Dealing with organic waste is a priority for Council and as such it is recommended that Organic Wealth be invited to submit a full application for consideration.

26. **Astara Technologies Limited** is seeking \$22,500.00 of new technologies funding to undertake a feasibility study to assess the potential to develop a business activity to deal with electric vehicle (“E.V.”) batteries which have reached the end of their useful life for electric vehicles. Given the governments support for electric vehicle use this project could put Kāpiti ahead in addressing this priority waste stream. It is recommended that Astara Technologies Limited be invited to submit a full application.
27. **Nufuels Ltd** is seeking \$25,000.00 of new technologies funding to undertake a feasibility study to assess the potential for an integrated waste to energy initiative at the Ōtaki Transfer Station. It involves assessing the potential to process plastics (via pyrolysis), food waste and possibly other biomass entering the Transfer Station (via gasification) and bio solids (drying and pyrolysis) capturing and converting the energy created, establishing battery storage for the energy created, and either using that energy within the Transfer Station (e.g. to process the bio solids) or exporting it to the grid. It is recommended that Nufuels Ltd be invited to submit a full application as this presents an interesting opportunity for exploring how we might better deal with bio solid waste from the Ōtaki Waste Water Treatment Plant.
28. **Waste Transformation Ltd (WTL)** has applied for \$50,000.00 of funding to develop a business case for the establishment of a timber pyrolysis waste processing plant for the Horowhenua/Kāpiti region. WTL has also requested a further \$50,000.00 from Horowhenua District Council for this feasibility study taking the full cost of this project to \$100,000.00. Given that WTL have established a timber pyrolysis plant in Timaru and have submitted a consent application to establish another plant in Blenheim, the technology and business viability has been proven. As such this application is not an appropriate fit for Category A: New Technologies Fund. As such the recommendation is to invite WTL to submit a full application for assessment under Category B which provides seed funding for businesses using proven technologies and processes.
29. **Balfour & Associates (NZ) Ltd** is seeking \$50,000.00 of new technologies funding to conduct a feasibility study in the Kāpiti region to determine the ideal regional location to implement a first of its kind crumbing facility and De-Vulcanized Rubber processing plant to recycle End-of-Life tyres sourced from Kāpiti landfills. Council funded a project looking to address tyre waste through a pyrolysis process in the 2017/18 funding round and expects to gain insights into the success of this project within the next few months. Until such results are received it is recommended that Balfour & Associates (NZ) Ltd not be invited to submit a full application and are instead encouraged to apply to the national Ministry for the Environment Waste Minimisation fund to progress this project.

## CONSIDERATIONS

### Policy considerations

30. The applications have been assessed against the criteria in the Waste Levy Allocation Policy 2011. Please refer to **Appendix A** for the objectives and requirements of projects under the Policy.

### Legal considerations

31. There are no legal considerations for the 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.

## Financial considerations

32. The recommendations for Category 3 results in \$12,930.90 of the \$20,000.00 being allocated.
33. There is no impact on rates funding as these grants are funded from Waste Levy income.
34. Applicants are required to provide a bank account number before funds are released. This enables them to purchase goods directly. All applicants under Category 3 would be required to have made their purchases within twelve months of receiving the grant and submit proof of purchase. Unspent funds would be returned to the Council.

## SIGNIFICANCE AND ENGAGEMENT

### Significance policy

35. This matter has a low level of significance under Council's Significance and Engagement Policy.

### Engagement planning

36. An engagement plan is not needed to implement this decision.

### Publicity

37. Selected projects will be publicised by the Council through media releases, the Council's sustainability newsletter 'On To It,' and other communication avenues. Several applicants have proposed to carry out their own publicity activities, e.g. through Facebook, organisation websites and newsletters, community and school newsletters, local radio, newspapers etc.

## Other considerations

### Updates from the 2017/18 funding round

38. In the 2017/18 financial year, a total of \$20,000 of funding was allocated to nine projects through the Category 3 fund. Six of the funded groups have reported the successful completion of their projects, while the remaining three groups have yet to implement final project stages. Most of them plan to complete their projects by the end of the calendar year. The project reports submitted by funding recipients are summarised in **Appendix D**.
39. In the 2017/18 funding round, the following project received funding under Category 4 of the grants:
  - Organic Wealth - \$15,640.00 for Save on Waste programme which supports businesses in Kāpiti to reduce their waste.

This project is currently still underway however an interim report is provided in **Appendix E**.

## RECOMMENDATIONS

40. That the Grants Allocation Committee allocates levy funding under Category 3 of the Waste Levy Policy 2011 as set out in **Table 1** of report IS-18-664, totalling **\$12,930.90**.
41. That four of the five applicants, namely Organic Wealth, Astara Technologies Limited, Nufuels Ltd and Waste Transformation Ltd, that submitted Expressions of Interest under Category 4 of the Waste Levy Policy 2011 as described in **Sections 25 to 29** are invited to submit full applications for Councils consideration.

Report prepared by	Approved for submission	Approved for submission
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## ATTACHMENTS

Appendix A: Waste Levy Allocation Policy 2011

Appendix B: Category 3 Applications for 2018/19

Appendix C: Category 4 EOI Applications for 2018/19

Appendix D: Summary of Reports from Successful Category 3 Applicants

Appendix E: Interim Report from Organic Wealth (2017/18 Category 4)