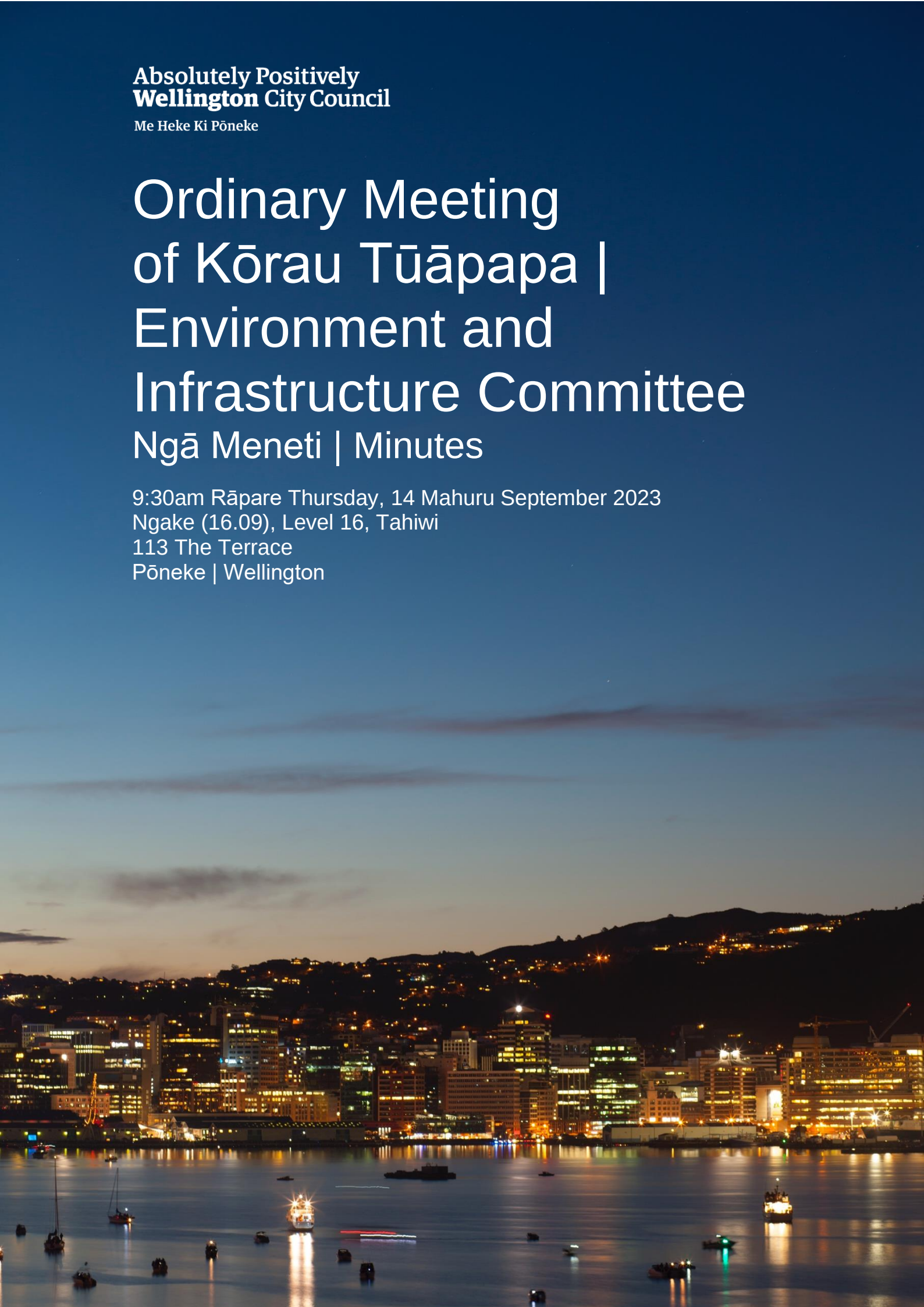
Absolutely Positively
**Wellington** City Council
Me Heke Ki Pōneke

# Ordinary Meeting of Kōrau Tūāpapa | Environment and Infrastructure Committee

## Ngā Meneti | Minutes

9:30am Rāpare Thursday, 14 Mahuru September 2023
Ngake (16.09), Level 16, Tahiwi
113 The Terrace
Pōneke | Wellington



## PRESENT

Mayor Whanau
Deputy Mayor Foon
Councillor Abdurahman
Councillor Apanowicz
Councillor Brown (Deputy Chair)
Councillor Calvert
Councillor Chung
Councillor Free
Pouiwi Hohaia
Pouiwi Kelly (via audiovisual link)
Councillor Matthews
Councillor McNulty (via audiovisual link)
Councillor O'Neill
Councillor Pannett
Councillor Paul (Chair)
Councillor Randle (via audiovisual link)
Councillor Wi Neera
Councillor Young (via audiovisual link)

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# 1. Meeting Conduct

## 1.1 Karakia

The Chairperson declared the meeting (hui) open at 9:30am and read the following karakia to open the hui.

| | |
|---|---|
| **Whakataka te hau ki te uru,** | Cease oh winds of the west |
| **Whakataka te hau ki te tonga.** | and of the south |
| **Kia mākinakina ki uta,** | Let the bracing breezes flow, |
| **Kia mātaratara ki tai.** | over the land and the sea. |
| **E hī ake ana te atākura.** | Let the red-tipped dawn come |
| **He tio, he huka, he hauhū.** | with a sharpened edge, a touch of frost, |
| **Tihei Mauri Ora!** | a promise of a glorious day |

## 1.2 Apologies

No apologies were received.

## 1.3 Conflict of Interest Declarations

No conflicts of interest were declared.

## 1.4 Confirmation of Minutes

**Moved Councillor Paul, seconded Councillor Brown**

**Resolved**

That the Kōrau Tūāpapa | Environment and Infrastructure Committee:

1. Approves the minutes of the Kōrau Tūāpapa | Environment and Infrastructure Committee Meeting held on 3 August 2023, having been circulated, that they be taken as read and confirmed as an accurate record of that meeting.

**Carried**

## 1.5 Items not on the Agenda

There were no items not on the agenda.

## 1.6 Public Participation

### 1.6.1 Matt Farrar

On behalf of Trustee Trails Wellington, Matt Farrar addressed the hui regarding item 2.2 Zero Waste Programme - Resource Recovery Network Expansion Business Case.

### 1.6.2 Polly Griffiths

On behalf of Sustainability Trust, Polly Griffiths and Georgie Ferrari addressed the hui regarding item 2.2 Zero Waste Programme - Resource Recovery Network Expansion Business Case.

### 1.6.3 Adam Holloway

On behalf of the Ōwhiro Bay Residents Association, Adam Holloway addressed the hui regarding item 2.2 Zero Waste Programme – Resource Recovery Network Expansion Business Case.

### 1.6.4 Sue Coutts

On behalf of Zero Waste Network Aotearoa, Sue Coutts addressed the hui regarding item 2.1/2.1 Zero Waste Programme.

### 1.6.5 Liam Prince and Kate Walmsley

On behalf of Kaicycle, Liam Prince and Kate Walmsley addressed the hui regarding item 2.1 Zero Waste Programme – Collections and Processing Business Case.

### Public participation attachments

**Attachments**

1 Kaicycle presentation

The hui adjourned at 10:18am and resumed at 10:45am with the following members present: Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouiwi Hohaia, Pouiwi Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Paul, Councillor Randle, Mayor Whanau, Councillor Wi Neera, and Councillor Young.

(Councillor Calvert returned to the hui at 10:47)

## 2. General Business

### 2.1 Zero Waste Programme - Collections and Processing Business Case

**Moved Deputy Mayor Foon, seconded Councillor Pannett**

### Resolved

That the Kōrau Tūāpapa | Environment and Infrastructure Committee:

1) Receive the information.
2) Note that a significant reduction of organic material from landfill is required to deliver the Zero Waste Targets.
3) Note that without a significant reduction of organic material from landfill it is unlikely that Wellington City Council will achieve its emissions reduction target of 57% by 2030.
4) Note the waste collection vehicle fleet has reached its end of life, it must be replaced in June 2026, and lead times for ordering these specialised vehicles are significant.
5) Note the proposed legislation to require organics collections for all urban households by 2030, or earlier if there are existing processing facilities within 150km.
6) Note the collections options and the organics processing options are inextricably linked and need to be considered together.
7) Request that officers report back prior to the final approval of the 2024-34 Long-term Plan (likely May 2024) with updated details on these changes to levels of service including:
    a) the progress of the regional organics processing procurement process
    b) a procurement approach for a new collections contract to implement the councillor selected preferred option, including detailed specifications such as bin types and truck fleet requirements.
    c) Updated cost estimates for the proposed changes to levels of service, including both operating and capital costs.
    d) Additional information about the implementation of these change to levels of service, including proposals for phasing the transition to new collections services and further information about bespoke collections.

*Collections*

8) Agree to include the short listed options for new waste collection service configuration shown in the table below and detailed in the attached business case, as well as a status quo "do nothing" option, in the Long-term Plan 2024-34 consultation document:

| Option | Rubbish | Recycling | Organics |
|---|---|---|---|
| D | Fortnightly 120L wheelie bin | Fortnightly 240L wheelie bin excl glass + four-weekly 80L wheelie bin | Weekly 80L food and garden wheelie bin |
| E | Fortnightly 120L wheelie bin | Fortnightly 240L wheelie bin + fortnightly 45L glass only crate | Weekly 23L food only |
| F (preferred) | Fortnightly 120L wheelie bin | Fortnightly 140L wheelie bin + fortnightly 45L glass only crate | Weekly 80L food and garden wheelie bin |

9) Note the significant safety improvements for collection workers when wheelie bins are emptied automatically by the collection vehicle.

10) Note that community and local groups can provide additional social, environmental, education and food resilience benefits over and above a centralised organics and processing facility. Ongoing support of these groups and initiatives will continue to be provided through grants and the waste minimisation fund.

11) Note that rubbish collections are currently funded by the purchase of rubbish bags and recycling collections are funded by a recycling levy component of landfill gate fees.

12) Note a nationwide trend is councils are moving towards a targeted rate to allow for greater control and transparency of the full waste collections system for rubbish, recycling and organics.

13) Agree to consult on a change to the Revenue and Financing Policy to introduce a new targeted rate to fund organics and rubbish collection starting in 2026/27 as part of the Long-term Plan 2024-34 consultation.

14) Note that recycling collections will continue to be funded from the recycling levy and that in future the targeted rate may need to be expanded to include funding for recycling collections when landfill revenue falls due to the reduction of waste going to landfill.

15) Agree to include the following operating costs for new collections services in the Long-term Plan 2024-34 budget for consultation (adjusted for household growth and inflation):

| $ million | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total Opex | $0.6 | $0.9 | $1.6 | $26.4 | $26.3 | $26.3 | $26.8 | $27.5 | $28.3 | $29.1 | $32.1 | $225.8 |

16) Note that based on the forecast costs, recycling levy and 78,768 rateable residential units in 2026/27 a targeted rate would cost ~~$258~~ $247 including GST per household per year. Based on the current ratio (based on the 2023/24 Annual Plan) that $4.8M additional spending equals a 1% increase in rates this would be equivalent to a 4.2% increase in rates.

17) Note that households would no longer need to pay separately for rubbish collection. For a household that puts out one council rubbish bag per week it currently costs $182 and approximately $395 for a household with a weekly rubbish collection of a 120L wheelie bin.

18) Note that Ministry for the Environment has a funding pool of $120M that offers up to 50% funding assistance for organics processing facilities and up to 75% for organic collections (to be used for organics bins, project management costs and communications / engagement). This funding pool is being heavily contested throughout NZ.

19) Note that the estimated cost to council of new bins for all urban households for preferred Option F is $14.1M in 2025/26.

20) Agree to continue our funding application to the Ministry of the Environment for $4.7M contribution to the roll out of changes to collections services, including $4M the cost of new organics bins, to be reimbursed on receipt of payment.

21) Note that the Landfill Surplus Fund is provisionally $20.7M at 30 June 2023. This fund is a balance sheet asset and new debt will need to be borrowed to enable the fund to be spent.

22) Agree to retain $2M in the Landfill Surplus Fund to manage the risk of landfill operating deficits.

23) Agree to retain $3.7M in the Landfill Surplus Fund to fund the proposed expansion of the Tip Shop and related resource recovery projects.

24) Agree to include $10.1M in additional capital expenditure (as new debt) in 2025/26 for the net cost of new bins in the Long-term Plan 2024-34 budget for consultation and to fully fund the net cost of these new bins from the Landfill Surplus Fund.

*Organics Processing Facility*

25) Agree to continue working with our regional partners Hutt City Council and Porirua City Council on the procurement of an organics waste processing facility.

26) Agree to continue the joint funding application to Ministry of the Environment for $35M contribution to the new regional organics waste processing facility.

27) Note that WCC officers will agree a procurement approach for the new regional organics processing facility with HCC and PCC.

28) Agree to begin a regional procurement process for a regional organics processing solution, which could involve constructing a facility that is jointly owned with other councils, partnering with a waste management company to build a new facility, or a contractual agreement to process organic material at a privately owned facility.

29) Note the full capital expenditure for a new organics processing facility (adjusted for inflation):

| **$ million** | **2023/24** | **2024/25** | **2025/26** | **2026/27** | **2027/28** | **Total** |
|---|---|---|---|---|---|---|
| WCC share of organics processing facility | $0.0 | $0.0 | $2.1 | $9.6 | $9.8 | $21.5 |
| Project delivery costs | $0.4 | $0.4 | $0.3 | $0.1 | $0.1 | $1.3 |
| **Total Organic Processing Facility capex** | **$0.4** | **$0.4** | **$2.4** | **$9.7** | **$9.9** | **$22.8** |

30) Note that $4.8M of the Landfill Surplus Fund is available for an organics processing facility from the Landfill Surplus Fund~~, reducing the necessary capital funding total as follows (inflation adjusted):~~

| | ~~**Total $ million**~~ |
|---|---|
| ~~Organics Processing Facility~~ | ~~$22.8~~ |
| ~~Less Contribution from Landfill Surplus Fund~~ | ~~$4.8~~ |
| ~~Remaining capex required~~ | ~~$18.0~~ |

~~31) Agree to allocate $8.1M in 2026/27 and $9.9M in 2027/28 of capital expenditure to allow for the WCC share of a jointly council owned new organics processing facility.~~

| ~~$ million~~ | ~~2023/24~~ | ~~2024/25~~ | ~~2025/26~~ | ~~2026/27~~ | ~~2027/28~~ | ~~Total~~ |
|---|---|---|---|---|---|---|
| ~~Total Organic Processing Facility capex~~ | ~~$0.4~~ | ~~$0.4~~ | ~~$2.4~~ | ~~$9.7~~ | ~~$9.9~~ | ~~$22.8~~ |
| ~~Less $4.8M Landfill Surplus Funds~~ | ~~$0.4~~ | ~~$0.4~~ | ~~$2.4~~ | ~~$1.6~~ | ~~$0.0~~ | ~~$4.8~~ |
| ~~**Capital Funding requirement**~~ | ~~$0.0~~ | ~~$0.0~~ | ~~$0.0~~ | ~~$8.1~~ | ~~$9.9~~ | ~~$18.0~~ |

31) Agree to include additional capital expenditure (as new debt) of $0.4M in 2024/25, $2.4M in 2025/26, $9.7M in 2026/27, and $9.9M in 2027/28 for the WCC share of a jointly council owned new organics processing facility in the Long-term Plan 2024-34 budget for consultation and to fund $4.8M from the Landfill Surplus Fund.

32) Note that the capital expenditure requirements for an organics processing facility could be lower depending on the outcome of the procurement process (particularly the type and location of proposed facilities and the appetite from waste management companies to partner with council) and that officers will report back with updated cost estimates in May 2024.

33) Note that the impact of the increased capital expenditure and revenue on council's borrowings and debt to revenue ratio will be reported back through the ~~2023/24~~ 2024/34 Long-term plan.

34) Note that a new organics processing facility is unlikely to be operational by July 2026.

35) Agree to investigate transporting collected organic material to existing facilities in the North Island until the new regional facility is operational, the estimated cost of which is included in the operational costs in resolution 15.

36) Note that all the inflation adjusted figures in this paper could change slightly when updated inflation forecasts are received from BERL as the Long-term Plan budget is prepared.

37) Note that these decisions are for consultation purposes and will be reviewed during the Long-term Plan process, the detailed commercial case in May 2024, and prior to the finalisation of the LTP in June 2024.

38) Note that the procurement process will be structured to enable smaller operators to bid for parts of any wider contract, as part of the Broader Outcomes strategy. This may allow some organic material to be processed locally in the interim to reduce the amount of material that needs to be transported long distances to existing out of region facilities. Any bids for local processing will be considered alongside all other proposals and will consider the net cost and net environmental effects.

39) Note that existing grant funding is proposed to continue and that staff across council will continue to support community composting in recognition of the wider community benefit they provide.

**Carried**

**Secretarial Note:** The motion moved differed from the recommendations in the officer's report, the changes are marked in red and strikethrough.
**Secretarial Note:** Voting was taken in parts, with clauses 8, 13, 15, 24, and 31 taken separately. All clauses were carried.

**Attachments**

1 Deputy Mayor Foon Tabled Document

The hui adjourned at 11.02am and resumed at 11:07am with all members present.

**Moved Councillor Calvert, seconded Councillor Chung the following amendment**

8) Agree to consider the short listed options for new waste collection service configuration shown in the table below and detailed in the attached business case, as well as a status quo "do nothing" option, as part of the deliberations of the Long-term Plan 2024-34 consultation document:

13) Agree to consider to consult on a change to the Revenue and Financing Policy to introduce a new targeted rate to fund organics and rubbish collection starting in 2026/27 as part of the deliberations of the Long-term Plan 2024-34 consultation document.

15) Agree to consider to include the following operating costs for new collections services as part of the deliberations of the in the Long-term Plan 2024-34 budget for consultation (adjusted for household growth and inflation):

24) Agree to consider to include $10.1M in additional capital expenditure (as new debt) in 2025/26 for the net cost of new bins as part of the deliberations of the for the Long-term Plan 2024-34 budget for consultation and to fully fund the net cost of these new bins from the Landfill Surplus Fund.

31) Agree to consider to include additional capital expenditure (as new debt) of $0.4M in 2024/25, $2.4M in 2025/26, $9.7M in 2026/27, and $9.9M in 2027/28 for the WCC share of a jointly council owned new organics processing facility as part of the deliberations in the Long-term Plan 2024-34 budget for consultation and to fund $4.8M from the Landfill Surplus Fund.

**Lost**

For the final vote on the substantive motion, a division was called for under Standing Order 27.6(b), voting on which was as follows:

Clauses 8, 13,15 24, and 31:

**For:**
Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Deputy Mayor Foon, Councillor Free, Holden Hohaia, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Paul, Councillor Wi Neera

**Against:**
Councillor Brown, Councillor Calvert, Councillor Chung, Liz Kelly, Councillor Randle, Councillor Young

Majority Vote: 12:6

**Carried**

All other clauses:

**For:**
Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Holden Hohaia, Liz Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Paul, Councillor Randle, Councillor Wi Neera, Councillor Young

**Against:**
Nil

Majority Vote: 18:0

**Carried**

## 2.2 Zero Waste Programme - Resource Recovery Network Expansion Business Case

**Moved Councillor Pannett, seconded Deputy Mayor Foon**

### Resolved

That the Kōrau Tūāpapa | Environment and Infrastructure Committee:

1) **Receive** the information.

2) **Note** that the attached business case is indicative and that a detailed business case will be presented in May 2024 with more detailed proposals for the selected projects.

3) **Agree** that Council will work toward implementing a hub and spoke model of resource recovery centres across Wellington city over the next 10 years, with the Southern Landfill, or a similar area close by, as the hub.

4) **Note** that the projects recommended in this indicative business case will be funded from existing funds and revenue sources and that no additional funding is required through the Long-term Plan 2024-34.

*Resource Recovery Hub:*

5) **Agree** to investigate ~~a proposal~~ an option that will meet the objectives of the Te Kopahou Track Network Plan (including the entrance carpark to 221 & 223 Happy Valley Rd.) and an expansion of the resource recovery hub (option C) on the same site for inclusion in the detailed business case in May 2024. This will be considered alongside other options.

5A) Instruct officers to explore all four options in the detailed business case due in May 2024.

6) **Note** that should the single site option not be achievable, the final cost in the business case may be substantially higher due to the need for additional land purchase.

7) **Note** the existing $2.2m capital allocation for resource recovery in the 2024/25 financial year and the $3.7M available from the Landfill Surplus Fund for resource recovery projects.

8) **Agree** to include the cost of a new Tip Shop and related resource recovery facilities (option C) in the Long-term Plan consultation budget funded from the existing $2.2M allocation and $3.7M (as new debt) from the Landfill Surplus Fund.

9) **Note** that textile and mattress processing will be considered for the currently underutilised LEJV warehouse at the Southern Landfill and a proposal brought to the Long-term Plan 2027-37 if it is not required for other waste related activities.

*Resource Recovery Centres:*

10) **Note** that officers are currently negotiating a partnership with the Sustainability Trust for three years starting in 2023/24 as a pilot resource recovery centre at their premises on Forresters Lane, with an operating cost to WCC of up to $250,000 per year and that this will be funded from the waste minimisation component of landfill revenue.

11) **Agree** to develop a proposal for two additional resource recovery centres including identifying priority locations, partnering, and operating models in the detailed business case for May 2024.

12) **Agree** to include the cost of a further two resource recovery centres (one in 2024/25 and one in 2025/26) in the Long-term Plan consultation budget and funded from

waste levy funds and the waste minimisation component of landfill revenue.

13) **Note** that all the inflation adjusted figures in this paper could change slightly when updated inflation forecasts are received from BERL as the Long-term Plan budget is prepared.

**Carried**

**Secretarial Note:** The motion moved differed from the recommendations in the officer's report, the changes are marked in red and strikethrough.
**Secretarial Note:** Voting was taken in parts, with clause 12, and all other clauses taken separately. All clauses were carried.

**Moved Councillor Calvert, seconded Councillor Free the following amendment**

12) Agree to consider to include the cost of a further two resource recovery centres (one in 2024/25 and one in 2025/26) as part of the deliberations in the Long-term Plan consultation budget and funded from waste levy funds and the waste minimisation component of landfill revenue.

**Lost**

**Moved Councillor Abdurahman, seconded Holden Hohaia the following amendment**

8) Agree to include the cost of a new Tip Shop and related resource recovery facilities ~~(option C)~~ (option D) in the Long-term Plan consultation budget funded from the existing $2.2M allocation and $3.7M from the Landfill Surplus Fund and additional capital allocation of $2.4 million for a total cost of $8.3 million.

**Lost**

For the substantive motion, a division was called for under Standing Order 27.6(b), voting on which was as follows:

Clause 12:
**For:**
Mayor Whanau, Councillor Apanowicz, Councillor Chung, Deputy Mayor Foon, Holden Hohaia, Liz Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Paul (Chair), Councillor Wi Neera
**Against:**
Councillor Abdurahman, Councillor Brown (Deputy Chair), Councillor Calvert, Councillor Free, Councillor Randle, Councillor Young

Majority Vote: 12:6

**Carried**

All other clauses:
**For:**
Mayor Whanau, Councillor Apanowicz, Councillor Brown (Deputy Chair), Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Holden Hohaia, Liz Kelly, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Paul (Chair), Councillor Randle, Councillor Wi Neera, Councillor Young
**Against:**
Councillor Abdurahman

Majority Vote: 17:1

**Carried**

(Deputy Mayor Foon left the hui at 12:19)
(Deputy Mayor Foon returned to the hui at 12:22pm)
(Councillor Apanowicz left the hui at 12:26pm)
(Councillor Apanowicz returned to the hui at 12:28pm)

## 2.3 Submission on the Draft Government Policy Statement on Land Transport

**Moved Councillor Pannett, seconded Councillor Paul**

### Resolved

That the Kōrau Tūāpapa | Environment and Infrastructure Committee:

1) Receive the information.

2) Approve the submission, as set out in Attachment One: Wellington City Council's submission on the Draft Government Policy Statement on Land Transport 2024-34 with the following changes:

   a) Agree to amend the submission to support and recognize the draft GPS:

      i) Commitment to Te Tiriti

      ii) Commitment to additional funding

      iii) Recognition of the strong connections between transport, urban development and increased housing

      iv) Commitment to PT, walking and cycling

      v) Introduction of a framework around MRT

      vi) Biodiversity emphasised as an outcome in the Transport Outcomes Framework

   b) Amend the submission to recommend that the Strategic Priorities in the GPS be ranked with more emphasis given to the reduction of emissions and sustainable urban, safety and regional development and that all projects should be required to have a focus on reducing GHG emissions.

   c) Agree to support the submission of the Regional Land Transport Committee that the draft GPS is not ambitious enough to allow the region and city to reduce its emission targets set by the Government and that priority is given to strategic projects that reduce emissions, that funding is boosted for the active modes and public transport and that behaviour change programmes should be supported by institutional, structural and policy changes.

   d) Amend the Submission to recommend that GHS emission targets be constantly reviewed as the impacts of climate change are realised.

   e) Amend the Submission to Recommend that priority be given to completing policy on the future of transport funding and that enabling legislation is developed to allow for congesting pricing.

   f) Amend the submission to recommend that the activity classes be re-balanced to give effect to the Strategic Priority of reducing GHG emissions.

   g) Amend the submission to recommend that the strong focus on preventing deaths and serious injuries on our roads be maintained and that safety improvements be funded separately and transparently through its own fund and that the wording for safety reverts to the wording from the 2018-2023 GPS.

h) Amend the submission to recommend that the wording around the environment be re-defined to include impacts on the local environment and public health.

i) Amend the submission to include in the Strategic Projects a commitment to improving bus services and bus plan in Wellington to go alongside a planned MRT system.

j) Amend the submission to recommend that further work be undertaken to develop a rigorous Measurement Framework.

k) Amend the submission to recommend that policy development be given to inclusive access for multi-cultural and Rainbow communities and children and teenagers.

3) Agree to delegate authority to the Chair and Deputy Chair of the Kōrau Tūāpapa | Environment and Infrastructure Committee and the Chief Executive to finalise the submission, including any amendments agreed by the Kōrau Tūāpapa | Environment and Infrastructure Committee and any minor consequential edits.

**Carried**

**Secretarial Note:** The motion moved differed from the recommendations in the officer's report, the changes are marked in red and strikethrough.
**Secretarial Note:** Voting was taken in parts, with clause 2, and all other clauses taken separately. All clauses were carried.

For clause 2, a division was called for under Standing Order 27.6(b), voting on which was as follows:

Clause 2
**For:**
Mayor Whanau, Councillor Abdurahman, Deputy Mayor Foon, Councillor Free, Holden Hohaia, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Paul (Chair), Councillor Wi Neera
**Against:**
Councillor Apanowicz, Councillor Brown (Deputy Chair), Councillor Calvert, Councillor Chung, Liz Kelly, Councillor Randle, Councillor Young

Majority Vote: 11:7

**Carried**

(Councillor Brown left the hui at 12:38pm)

## 2.4 Actions Tracking

**Moved Councillor Paul, seconded Councillor Pannett**

**Resolved**
That the Kōrau Tūāpapa | Environment and Infrastructure Committee:

1. Receive the information.

**Carried**

## 2.5 Forward Programme

**Moved Councillor Paul, seconded Councillor Pannett**

**Resolved**
That the Kōrau Tūāpapa | Environment and Infrastructure Committee:

1. Receive the information.

**Carried**

The hui concluded at 12:39pm with the reading of the following karakia:

| | |
|---|---|
| **Unuhia, unuhia, unuhia ki te uru tapu nui** | Draw on, draw on |
| **Kia wātea, kia māmā, te ngākau, te tinana, te wairua** | Draw on the supreme sacredness<br>To clear, to free the heart, the body |
| **I te ara takatū** | and the spirit of mankind |
| **Koia rā e Rongo, whakairia ake ki runga** | Oh Rongo, above (symbol of peace) |
| **Kia wātea, kia wātea** | Let this all be done in unity |
| **Āe rā, kua wātea!** | |

Authenticated:_____
Chair

# Besançon

TRiVIAL COMPOST

SYBERT

Syndicat mixte
de Besançon et
de sa région pour
le traitement des déchets

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# Curbside Composting Program

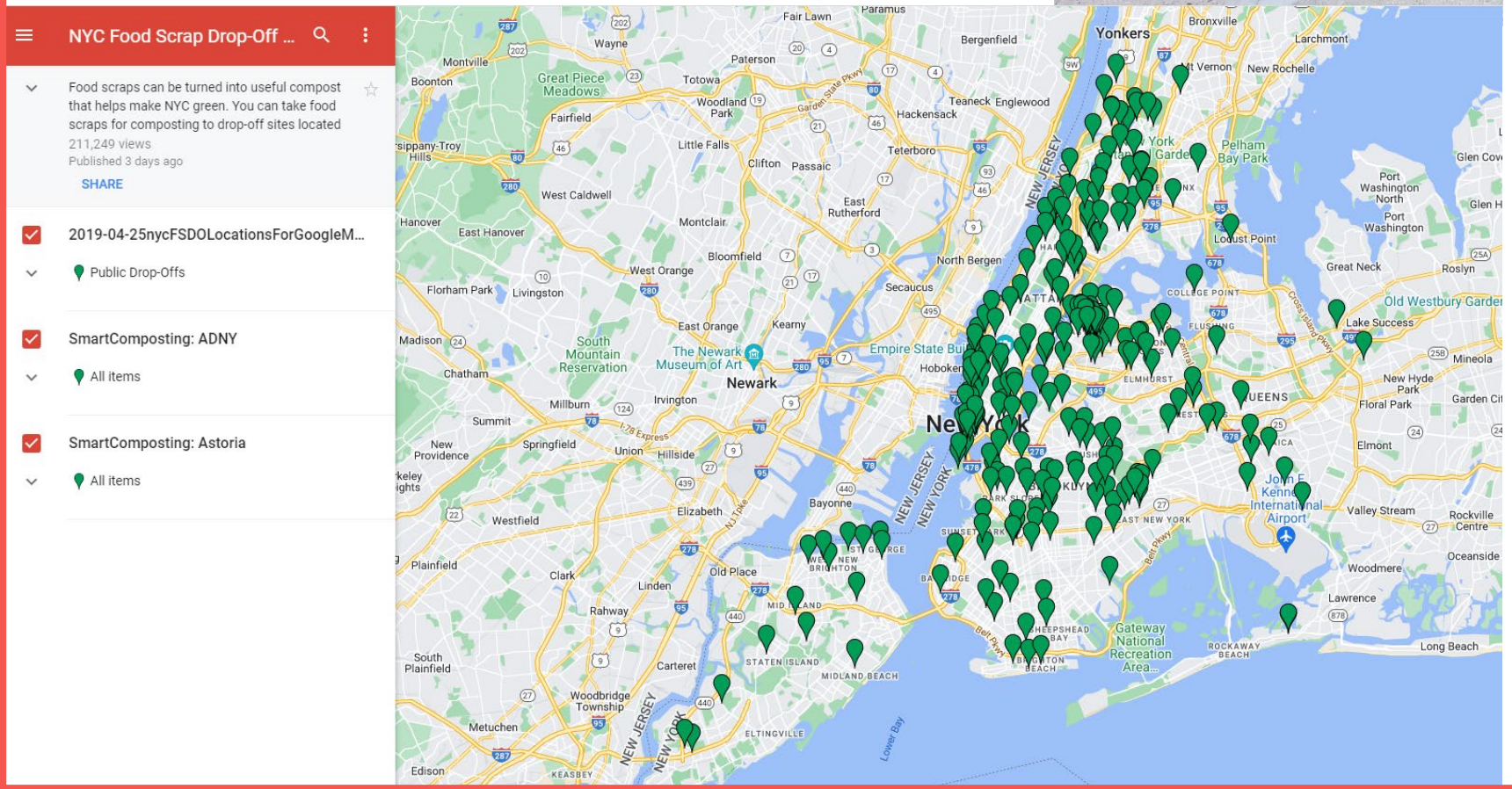
Composting keeps our neighborhoods clean and healthy —we can reduce waste sent to landfills and create clean, renewable energy to heat or power homes.

Select your borough for composting options


## QUEENSBRIDGE COMMUNITY COMPOST SITE

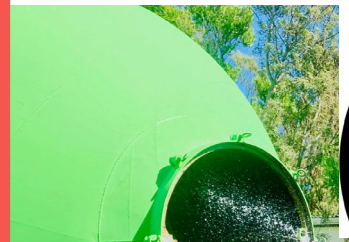
Our current location under the Queensbridge opened in 2018 on unused Parks land in collaboration with The NYC Parks Department. It's a state of the art facility that features an Aerated Static Pile system and large Gore Tex covers.

Tours at our QB site take place every other friday. Register **here**!



# COMPOSTING MODELS IN AOTEAROA






bEartha
modular compost hub

# Questions & Answers

# Kōrau Tūāpapa | Environment and Infrastructure Committee

# 14 Mahuru September 2023

### 2.1/2.2 Zero Waste Programme

### Correction and clarification from staff

We wanted to clarify for you the implications of using the Landfill Surplus Fund on debt. We apologise that this wasn't made clearer in the original papers.

The Landfill Surplus Fund is made up of previous operating surpluses from landfill operations. In the year surplus funds were generated they were used to pay down council debt and a balance sheet asset was created called Landfill Surplus Fund. This is a common practice across local government and is often referred to as "internal borrowing". The reason this is common is because it is better to minimise interest costs, as opposed to setting up a separate account and earn interest (at a lower rate).

As we complete the waste reduction work we will be using debt to fund this. The balance sheet asset Landfill Surplus Fund will be reduced as it is "used".

The Collection & Processing and Resource Recovery business cases recommend $38.9 million in capital expenditure over the next 5 years. $2.2 million is already allocated in 2024/25 and is therefore included in current debt forecasts. The additional $36.7 million will increase gross debt.

| **Additional debt** | |
|---|---|
| Allocated in 2024/25 | $2,200,000 |
| Resource Recovery capital cost | $5,948,825 |
| Resource Recovery new debt | $3,748,825 |
| | |
| New bins net MfE grant | $10,145,680 |
| Organics processing | $22,802,779 |
| Collections & Processing new debt | $32,948,459 |
| | |
| **Total new debt** | **$36,697,284** |

Please note that the recommended organics processing technology solution and the MfE funding application status will be presented in the Commercial Case in May 2024. The $22.8m organics processing figure (above) is based on the most expensive 'in vessel composting' solution, however a less expensive solution like 'Anaerobic Digester' or an (opex) pay-per-use (e.g. transporting/processing out of region) solution could also be used. Furthermore, the procurement process will explore alternative financing and building options from the market (e.g. Design Build

Operate or Design Build Operate Own) that can be utilised to help the council smooth its investment.

There are also errors on pages 13 and 14. The correct text is as follows:

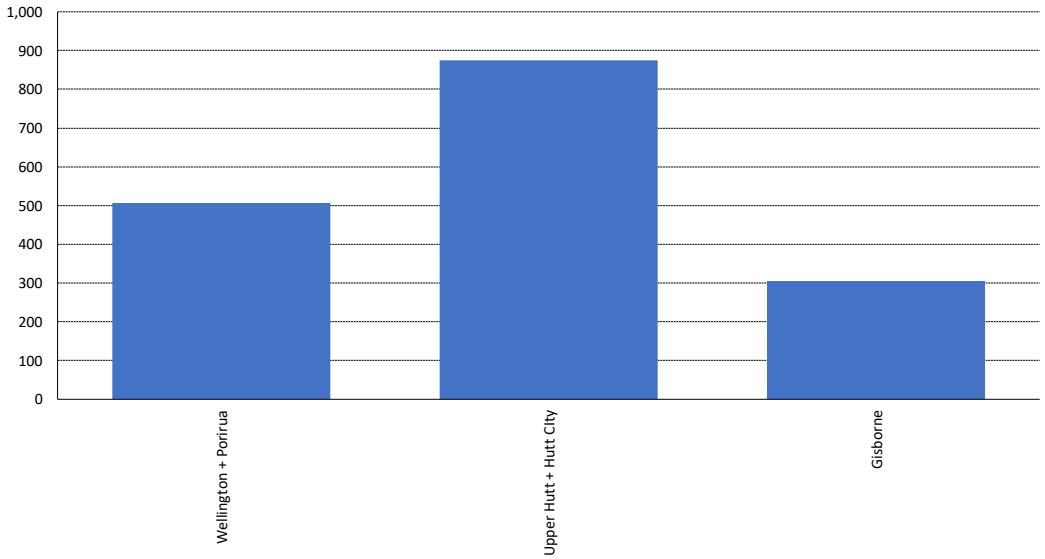
### *Wellington is Falling Behind*

*The Zero Waste Strategy outlines how New Zealand is falling behind internationally on waste minimisation efforts. New Zealand has the third highest annual waste to landfill of all of countries in The Organisation for Economic Co-operation and Development (OECD) (OECD at 781kg per capita, measured by municipal landfill data – the highest being 851kg and lowest at 243kg per capita[1].*

*Nationally, Wellington is falling behind the leaders in waste minimisation. Compared to other cities and districts across New Zealand, Wellington (including Porirua) sits in the middle of the pack, at 507kg per capita of waste* ***going to*** ~~*diverted from*~~ *landfill, compared with Gisborne at 305kg per capita and Upper Hutt and Hutt City at 874kg per capita (measured per annum)[2].*

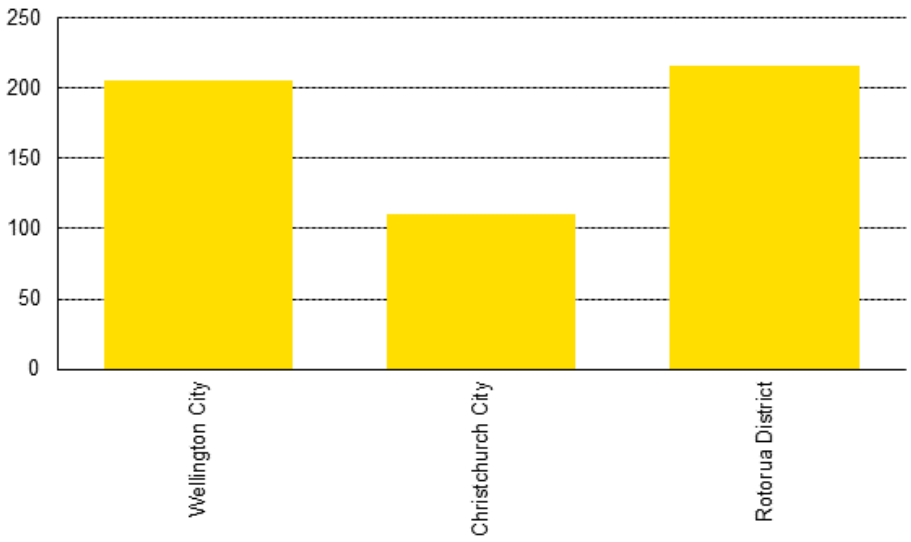
*Wellington sits toward the bottom of the pack for annual per capita* ~~*disposal of*~~ ***kerbside*** *collected rubbish at 206kg per capita. Christchurch city had the lowest per capita disposal rate of collected rubbish with 110kg and Rotorua District the highest at 216kg[3].* ~~*Waste diverted from landfill by Wellington (including Porirua), compared to highest and lowest cities in New Zealand*~~

### *Per capita waste <u>disposal</u> ~~diversion~~ by Wellington, compared to highest and lowest cities in New Zealand*




[1] Zero Waste Strategy – original source: Municipal waste – OECD Data – data.oecd.org/waste/municipal-waste.htm
[2] Zero Waste Strategy – original source: Wellington Region Waste Assessment 2016
[3] Zero Waste Strategy – original source: SWAP full report (wellington.govt.nz) – page 42

***Per capita <u>kerbside collected</u> rubbish ~~disposal~~ by Wellington, compared to highest and lowest cities in New Zealand***



## Responses to Councillor Questions

## Collections & Processing

1. **When the regional composting facility is built, will rail freight be considered?**
   It is uncertain where a regional organics processing facility might be located. If it is located near to current rail lines then rail freight could be considered.

2. **Are there any other solutions we could consider in the interim rather than trucking food scraps so far away?**
   The procurement process will seek proposals from the market on an interim solution to processing organic material. If there is a facility located closer to Wellington that is consented to take this type of organic material on a city wide scale that would be considered alongside any other proposals.

3. **What does the demand look like for the end compost product?**
   The types of products produced will depend on the technology selected. For example an Anerobic Digestion facility will produce electricity, heat and digestate whereas in vessel composting will produce compost and mulch. Ultimately demand will come down to the value proposition to farmers, noting that the size of the agricultural market is greater than the supply of organic products. In some cases producers will initially provide the product at no or little cost to gather interest, build demand and avoid stock-piling. It is noted that EcoGas in Reporoa are currently giving away the digestate from their processing facility for free to nearby agricultural and horticultural landowners. Digestate cannot be used as compost, it is a liquid and must be applied to soils in a different way.

4. **Will we be able to keep the capital compost operation and the windrow system as this is serving the business/ commercial community?**
   No plans have been made for Capital Compost at this stage. The majority of its operation is currently on land that is needed for the later stages of the Southern Landfill extension.

5. **Do the costs for the organics collection include freight to a regional facility?**
   The indicative costs are based on the targeted rates of other councils which include the cost of transport to a processing facility. It is assumed that these indicative costs will allow for the transport cost to a facility within the region but may not cover the transport costs out of region.

6. **What consideration has been given to the vermicomposting option? Is this something that could be an interim option, while we wait for the infrastructure?**
   Vermicomposting (large scale worm farms) is one of the processing methods considered in the Tonkin+Taylor regional organics options report. There is a vermicomposting facility MyNoke currently operate in Ohakune. This company will be contacted as part of soft market engagement prior to the procurement process to inform them of the upcoming tender for an interim and permanent solution for organics processing. Any proposal they submit will be considered alongside all other proposals.

7. **How have we considered the community composting / or decentralised models? Have we been able to do any studies on the quantity of food waste that's been processed to compost in other centres around NZ?**
   Yes, we have considered the community composting / decentralised models. Tonkin+Taylor are not aware of any city in the world that is operating their organics processing in this manner. Christchurch City Council collects more than 50,000 tonnes of organic material per year. Waste statistics : Christchurch City Council (ccc.govt.nz) Capital Compost currently processes 5,000 tonnes of organic material per year. Kaicycle's new in vessel composting facility in Rongotai will process up to 100 tonnes of food and green waste per year, once operational. Given the amount of land needed for these facilities, the issue of odour management, and the economies of scale for larger facilities, a decentralised processing model is unlikely to meet Wellington city's needs. Community composting organisations will be able to tender in the procurement process for an organics processing facility.

   In addition to the above, we have been engaging with these groups as part of putting together our recommendations. Community composters provide a really important service in Wellington, not only in waste reduction but in food resilience, soil health, education and supporting communities. We know that a commercial collection can co-exist with community composting and the ongoing support of these organisations will continue to be provided by council.

8. **If there is the option for a private operator to build this plant- will this reduce the need for the $18 million capital cost for WCC.**
   If a private operator wanted to build an organics processing facility they can submit their proposal to the procurement process and it would be considered along with all other proposals. If the facility could meet the needs of Wellington city then this would remove the need for the $22.8M of capital expenditure. The cost of capital under this model would be paid via the gate fee charged by the private company which would cover their own interest and depreciation costs, as well as a profit margin. This would be an ongoing operating cost for council.

9. **If the other councils decide to come on board- will that also reduce the capital outlay for WCC?**
   If other councils in the region decide to join the regional organics processing facility project this would slightly reduce the capital requirement for WCC. The three largest councils in the region are already involved in the project and as the capital cost is shared based on population the addition of Upper Hutt City Council or Kapiti Coast District Council would not be expected to significantly reduce WCC's share.

10. **How have the ETS costs been factored into this? Has there been any modelling on the costs if we don't do this?**
    The cost benefit analysis includes an estimate of the emissions reduction and the value of that reduction is estimated using the shadow price of carbon.

    Estimating the financial saving that council would realise from these reductions requires estimating the future price of carbon. This is challenging due to an ongoing review of the Emissions Trading Scheme and volatility in recent carbon prices. In the past year the carbon price for New Zealand units has ranged from a high of $87 to a low of $34 before rebounding to around $50. EU carbon credits trading at around NZ$150 in comparison. The Climate Change

Commission has advised the Government to raise the carbon price lid from $78 to $171. At this stage the Government have not followed that advice. In a recent court case, the Crown conceded that they had breached the Climate Change Act in their response to the Commission's advice.

If the carbon price remains near $50 per tonne then the annual saving to council could be $80,000 - $120,000 using the baseline scenario of 1,600 – 2,400 tonnes of emissions reduction. This would be higher if achieved participation rates are higher. If the carbon price were to rise to the level of European Union carbon prices the annual saving to council could be $240,000 - $360,000.

11. **Just a question on the Auckland model. It also seems that it will be penalising most those people who take care to generate very little rubbish (most people I know, and small households, would not currently be spending anywhere near $258 per year - more like $30 on rubbish bags). So the proposal of offering a smaller bin for a discounted rate might be a good idea. Alternatively, stick with user pays whereby users buy tags from the supermarket to stick to their wheelie bins - this happens in Auckland and apparently works well. They feel it is fairer.**
Staff intend to investigate the option of offering a smaller rubbish bin for a discounted rate as part of the detailed commercial case in May 2024.

The tag system for rubbish wheelie bins is being phased out in Auckland. There were significant issues with this system in practice including the need for tags to be removed by collection workers by hand, missing tags, and re-used tags.

Auckland Council compared the parts of the city that were using this user pays tag system with those that had rates funded rubbish collection and found no significant difference in the amount of rubbish disposal between the two systems. Therefore they are moving to have the entire city's rubbish collections funded via targeted rate. Auckland Council offer weekly collection of a standard 120L wheelie bin or a larger 240L wheelie bin (with a higher cost for the larger bin).

12. **What is the actual projected reduction in what will be taken to the landfill. There are a series of vague targets in the paper, I would like more specific forecasts.**
Forecast for the next ten years of waste diverted from landfill due to new collections services, calculated using the estimated capture rates provided by T&T, which assume average levels of participation and recognition of material.

| Tonnes per year | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total Additional Diversion Option A | 4,022 | 4,065 | 4,106 | 4,146 | 4,189 | 4,230 | 4,270 | 4,306 | 4,335 | 4,375 |
| Total Additional Diversion Option B | 4,635 | 4,685 | 4,733 | 4,778 | 4,828 | 4,875 | 4,921 | 4,962 | 4,997 | 5,043 |
| Total Additional Diversion Option C | 7,357 | 7,436 | 7,512 | 7,584 | 7,663 | 7,738 | 7,812 | 7,877 | 7,931 | 8,004 |
| Total Additional Diversion Option D | 7,971 | 8,056 | 8,139 | 8,217 | 8,302 | 8,383 | 8,463 | 8,534 | 8,592 | 8,672 |
| Total Additional Diversion Option E | 4,635 | 4,685 | 4,733 | 4,778 | 4,828 | 4,875 | 4,921 | 4,962 | 4,997 | 5,043 |
| Total Additional Diversion Option F | 7,971 | 8,056 | 8,139 | 8,217 | 8,302 | 8,383 | 8,463 | 8,534 | 8,592 | 8,672 |

Forecast for the next ten years of waste diverted from landfill due to new collections services, calculated using higher capture rates of 42% for food and 53% for food and garden, which assume higher levels of participation and recognition which could be achieved with effective communication and education.

| Tonnes per year | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total Additional Diversion Option A | 5,940 | 6,003 | 6,065 | 6,123 | 6,186 | 6,247 | 6,307 | 6,359 | 6,403 | 6,462 |
| Total Additional Diversion Option B | 6,553 | 6,623 | 6,691 | 6,755 | 6,825 | 6,892 | 6,958 | 7,016 | 7,064 | 7,129 |
| Total Additional Diversion Option C | 10,523 | 10,636 | 10,745 | 10,848 | 10,961 | 11,067 | 11,173 | 11,267 | 11,344 | 11,449 |
| Total Additional Diversion Option D | 11,137 | 11,256 | 11,372 | 11,480 | 11,600 | 11,713 | 11,825 | 11,923 | 12,005 | 12,116 |
| Total Additional Diversion Option E | 6,553 | 6,623 | 6,691 | 6,755 | 6,825 | 6,892 | 6,958 | 7,016 | 7,064 | 7,129 |
| Total Additional Diversion Option F | 11,137 | 11,256 | 11,372 | 11,480 | 11,600 | 11,713 | 11,825 | 11,923 | 12,005 | 12,116 |

The overall forecast tonnages of waste to the Southern Landfill are discussed in the Attachment: Landfill Tonnages Forecast. The table below shows the forecast tonnages assuming the recommended options in the business cases are put into operation.

**Table 8: Overall landfill tonnage forecast by waste type**

| Waste type | 24/25 | 25/26 | 26/27 | 27/28 | 28/29 | 29/30 | 30/31 | 31/32 | 32/33 | 33/34 | 34/35 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Cleanfill | 2,400 | 2,400 | 2,400 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 |
| Contaminated Soil | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| Domestic to Transfer Station | 8,740 | 8,583 | 6,385 | 6,483 | 6,579 | 6,669 | 6,768 | 6,861 | 6,954 | 7,035 | 7,103 |
| Green | 5,000 | 5,057 | 5,114 | 5,169 | 5,222 | 5,272 | 5,326 | 5,378 | 5,430 | 5,475 | 5,513 |
| Kai to Compost | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 |
| Mixed Commercial | 67,000 | 67,628 | 58,990 | 49,516 | 50,032 | 50,505 | 51,033 | 51,531 | 52,035 | 52,480 | 52,822 |
| Sludge / Screenings to Tip Face | 15,000 | 15,171 | 1,662 | 1,540 | 1,415 | 1,287 | 1,156 | 1,022 | 886 | 745 | 602 |
| Special waste - asbestos | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 |
| Special waste - other | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |
| **TOTAL** | 136,840 | 137,540 | 113,251 | 102,708 | 103,248 | 103,732 | 104,284 | 104,792 | 105,304 | 105,735 | 106,040 |

**13. What are the current and projected cost to households, under the current and proposed schemes.**

Additional work is being done by staff to refine the projected cost to households leading up to the detailed commercial case in May 2024. The current information we have is set out below.

It is uncertain how many households use the council rubbish bag service. SWAP 2018 data estimated 40% of households. Tonkin+Taylor's Redesigning Rubbish and Recycling Collections Report (Appendix 2) had higher estimates but the sample size used was too small to be reliable. We also do not know how many households in the CBD use the daily council rubbish collection which is also part of this total cost. Therefore, we cannot get a reliable estimate of the cost per household for rubbish collection by dividing the total cost by the number of households.

As such the current cost to households was estimated using this year's rubbish bag price of $3.50 and the estimate that most households that use this service put out one bag a week. This estimate is taken from the Solid Waste Analysis Protocol (SWAP) 2018 report. Therefore, the cost for most households that use the council service is $182 annually.

A desk-based exercise was completed to determine the average cost for weekly private collections, the range for an annual subscription are as follows:

- 120 or 140L - $395.19 per year (Waste Management) or $402.00 (Low Cost Bins)
- 80L bin - $314.12 per year (Waste Management) or $312 (Low Cost Bins)
- 240L bin - $587.88 per year (Waste Management) or $576.00 (Low Cost Bins)
- $395 was used as an illustration of the cost for this type of weekly service.

There is currently no cost to households for recycling collection. These are funded by the recycling levy component of the landfill gate fee.

Any cost per household for recycling services will be unreliable due to the unknown number of households that receive recycling services. 66,000 households receive suburban recycling collections, and an unknown number of households use the weekly CBD rubbish collection. The figure of 76,367 rateable residential units was used to strike the 2023/24 rate. Based on other council databases this is almost certainly an underestimate of the number of households in Wellington city, as some multi-unit developments appear to be rated as one unit. The cost per household using these figures from the 2023/24 Annual Plan would be $92.62, however this estimate is not considered reliable.

14. **The paper does include total and per household cost estimates for the planned scheme, but I struggled to work out what current costs were to provide a comparison. Also, I don't understand the use of landfill surplus to plug financial holes. I presume this money isn't just sitting in a bank account and the "surplus" funds will have to be borrowed.**
The Landfill Surplus Fund is made up of previous operating surpluses from landfill operations. In the year they were generated these surplus funds were used to pay down council debt and a balance sheet asset was created called Landfill Surplus Fund. In order to spend the Landfill Surplus Fund new debt will need to be raised by council. The balance sheet asset Landfill Surplus Fund will be reduced as it is "used".

The operating surpluses from landfill operations were used to pay down debt as this created a better financial return for council than retaining the funds in a bank account. This created additional debt headroom that wouldn't have existed without the landfill surpluses. This

additional debt headroom was not recorded or tracked as being set aside for the Landfill Surplus Fund in any way. As such, any new debt that is borrowed by council in order to "spend" the Landfill Surplus Fund will count against the overall debt ceiling, reducing the debt headroom available for other projects.

The Collection & Processing and Resource Recovery business cases recommend $38.9 million in capital expenditure over the next 5 years. $2.2 million is already allocated in 2024/25 and is therefore included in current debt forecasts. The additional $36.7 million will increase net debt and reduce overall debt headroom whether this is funded from the Landfill Surplus Fund or not.

| **Additional debt** | |
|---|---|
| Allocated in 2024/25 | $2,200,000 |
| Resource Recovery capital cost | $5,948,825 |
| Resource Recovery new debt | $3,748,825 |
| | |
| New bins net MfE grant | $10,145,680 |
| Organics processing | $22,802,779 |
| Collections & Processing new debt | $32,948,459 |
| | |
| **Total new debt** | **$36,697,284** |

15. **The current situation with landfill (19 November 2022 presentation) is that about 91,000 tonnes is dumped each year, comprising the following (please confirm):**
    - **23,100 tonnes organic**
    - **24,400 tonnes of potentially hazardous material, presumably including 15,000 tonnes of sludge**
    - **10,600 tonnes of paper**
    - **8,700 tonnes of wood**
    - **7,700 tonnes of plastic**
    - **6,500 tonnes of rubble**
    - **4,800 tonnes of textiles**
    - **2,400 tonnes of metal**
    - **1,800 tonnes of glass**
    - **600 tonnes of rubber**

    These figures are based on the estimate of weekly material entering the Southern Landfill made for the SWAP report in 2018. Given these figures were based on a seven day waste audit of kerbside rubbish and a six day visual survey of the transfer station these numbers are indicative only. These waste audits do not necessarily reflect a typical week that can be reliably extrapolated to estimate annual tonnages. The weekly average of 1,745 tonnes per week during the survey period was 315 tonnes per week (15%) lower than the annual average of 2,060 tonnes per week from 30 November 2017 - 1 December 2018.

    This is the best data we have that estimates the percentage of different types of waste going to the Southern Landfill. There is no reason to believe that the composition of waste entering

Southern Landfill has changed significantly in that time. Yes, sewage sludge would be included in the total for potentially hazardous material.

The best data we have that estimates the actual tonnes of waste that are charged a fee for entering the Southern Landfill are in the Landfill Tonnage Forecast Appendix. This data does not include a breakdown by material type, only by the different price categories for different types of waste.

| Waste Type | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|---|---|---|---|---|
| Cleanfill | 1,042 | 1,261 | 1,117 | 2,392 |
| Contaminated Soil | 45,748 | 49,490 | 74,653 | 56,915 |
| Domestic to Transfer Station | 6,558 | 9,287 | 8,892 | 8,996 |
| Green | 3,787 | 5,482 | 5,295 | 4,861 |
| Kai to Compost | 1,229 | 2,042 | 1,695 | 1,108 |
| Mixed Commercial | 44,758 | 54,721 | 54,791 | 67,809 |
| Sludge / Screenings to Tip Face | 9,530 | 15,846 | 14,578 | 14,465 |
| Special waste - asbestos | 12,792 | 5,840 | 0 | 6,257 |
| Special waste - other | 10,794 | 2,268 | 5,757 | 1,423 |
| TOTAL | 136,238 | 14,6237 | 16,6778 | 16,4225 |

***N.B.*** *Data reported for 2021/22 did not separate asbestos from other special waste.*

16. **The report notes that Wellington's 78,768 households dispose of 206kg each year which goes to landfill. That is 16,226 tonnes. This seems to mean that 60,000 tonnes of what now goes to landfill each year doesn't come from households or as sludge. Please confirm?**
Domestically generated waste is collected either via kerbside rubbish collections or by drop off at the transfer station.

As 60% of households use private rubbish collections we do not know how many tonnes of rubbish are collected at the kerbside each year. It is unknown how much of the waste collected from Wellington city households is disposed of at Southern Landfill, compared to Spicers and Silverstream landfills.

Rubbish collected kerbside may be disposed of at any of the three Wellington region landfills depending on the company collecting it. Kerbside waste disposed of at Southern Landfill would be part of the Mixed Commercial waste. We do not know what proportion of mixed commercial waste is from household kerbside collection.

SWAP 2018 estimated 585 tonnes per week of kerbside waste was received at Southern Landfill. The weeks when this survey was conducted were not necessarily representative, however if we extrapolate that to an annual estimate it would be 30,420 tonnes.

206kg is the estimated rubbish per capita collected from the kerbside based on the 2016 Waste Assessment. In 2020 StatsNZ estimated Wellington city's population would be 220,000 in 2023. SensePartners forecasts used by WCC estimated Wellington city's population would be 211,000 in 2023. If 206kg of rubbish is collected at the kerbside per person that would be between 43,500 and 45,000 tonnes.

The difference between these two estimates indicates that 15,000 tonnes of kerbside waste collected in Wellington city may go to either Spicers or Silverstream landfills annually. It also demonstrates the significant challenges associated with estimating current waste tonnages, let alone forecasting future tonnages.

In 2022/23 an estimated 9,000 tonnes of domestic waste was dropped off at the Southern Landfill transfer station. We do not know how much domestic waste from households in Wellington city was dropped off at Spicers landfill in Porirua, which is the closest landfill for residents in the northern suburbs.

78,768 households is the forecast number of rateable residential unit for 2026/27 not the current year.

17. **507kg per household is now recycled, which amounts to 40,000 tonnes. Please confirm?**
The 2016 Waste assessment estimated that 507kg of waste per capita is going to landfill. This figure includes special waste but excludes unlevied cleanfill materials. Of this 507kg, 206kg is kerbside collected general rubbish. These figures were mis-labelled in the business case and the full correction can be found at the start of this document.

The estimated annual tonnages of recycling collected at the kerbside and sent to our contractor for processing is 8,908 tonnes (in 22/23).

18. **The SMF is expected to remove 13,000 tonnes of sludge from the landfill (or maybe all of it?). At a cost of about $2,400 a tonne.**
The SMF is expected to remove approximately 13,500 tonnes of sludge from the Southern Landfill in 2026/27. The SMF will never remove all of the sludge from landfill as the drier will always require annual maintenance and during that time dewatered sludge from the digester will need to be buried in landfill.

| Biosolid type | 24/25 | 25/26 | 26/27 | 27/28 | 28/29 | 29/30 | 30/31 | 31/32 | 32/33 | 33/34 | 34/35 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| sludge | 15,000 | 15,171 | | | | | | | | | |
| dewatered sludge to landfill | | | 420 | 424 | 429 | 433 | 437 | 442 | 446 | 450 | 453 |
| dried biosolids from SMF | | | 1,380 | 1,395 | 1,409 | 1,423 | 1,437 | 1,451 | 1465 | 1,477 | 1,488 |
| dried biosolids going to end markets | | | 138 | 279 | 423 | 569 | 719 | 871 | 1,026 | 1,182 | 1,339 |
| dried biosolids to landfill | | | 1,242 | 1,116 | 986 | 854 | 719 | 581 | 440 | 295 | 149 |
| total biosolids to landfill | 15,000 | 15,171 | 1,662 | 1,540 | 1,415 | 1,287 | 1,156 | 1,022 | 886 | 745 | 602 |

Staff are uncertain what cost estimate was used to calculate the estimate of $2,400 per tonne.

19. **Once all the proposed refuse plans are up and running (say by FY2026), is it still expected that householders will be generating 713kg a year of waste and what will be the split between landfill and recycling?**
The current estimate of waste generated per capita is 507kg per person (Wellington Region Waste Assessment 2016). There is no reason to assume that the overall waste generated per household will be significantly different to the estimates in the Waste Assessment in 2016 or in SWAP 2018.

The baseline scenario capture rates estimate a total capture of 18,500 tonnes of organic and recyclable material in 2026/27. This assumes the number of households is 78,768 in 2026/27, which is a forecast based on growth rates in the SensePartners household forecast median scenario applied to the 2023/24 number of rateable residential units.

There are too many assumptions required to develop a reliable estimate of the total amount of household related waste in 2026/27 or the split between landfill and recycling.

20. **For FY2024, it seems that Council's rubbish activities require funding and generate income as follows:**
    - **Landfill capital costs of $11,339k (extension $7,553k, NZU purchases $3,706k, renewals $79k)**
    - **Operating costs of $31,993k, comprising:**
        i. **Landfill operations $14,977k**
        ii. **Household rubbish collection $5,198k**
        iii. **Domestic recycling $7,874k**
        iv. **Waste minimisation $3,944k**
    - **Income relating to these activities is $31,272k, comprising:**
        i. **Landfill $18,728k ($205 a tonne if the landfill is taking 91,000 tonnes a year. The paper notes changes of $226/tonne which implies 83,000 tonnes of waste)**
        ii. **Household collection $5,476k**
        iii. **Domestic recycling $5,315k**
        iv. **Waste minimisation $1,753k**

**Of the total spend of $43,332k, please confirm what is debt funded, rates funded, funded by charges on residents, funded by charges on other than residents, and funded from recycling income?**

It is not clear where all of these numbers have been sourced from. Some have clearly come from the 2023/24 Annual Plan, which is the middle column in the screenshot below.

| | | | | | |
|---|---|---|---|---|---|
| 1036 | Landfill Operations & Maint | Expense | 12,267 | 14,909 | 2,642 |
| | | Income | (15,920) | (18,728) | (2,808) |
| | **Landfill Operations & Maint Total** | | **(3,652)** | **(3,818)** | **(166)** |
| 1037 | Suburban Refuse Collection | Expense | 4,662 | 4,670 | 8 |
| | | Income | (5,098) | (5,476) | (378) |
| | **Suburban Refuse Collection Total** | | **(436)** | **(805)** | **(370)** |
| 1038 | Domestic Recycling | Expense | 7,502 | 7,073 | (429) |
| | | Income | (4,886) | (5,315) | (429) |
| | **Domestic Recycling Total** | | **2,616** | **1,758** | **(858)** |
| 1039 | Waste Minimisation | Expense | 3,396 | 4,531 | 1,135 |
| | | Income | (1,656) | (1,753) | (97) |
| | **Waste Minimisation Total** | | **1,739** | **2,777** | **1,038** |

### Explanation of the table figures

Landfill Operations and Maintenance (1036) is funded from the "base1" and "ETS" components of the landfill gate fees.

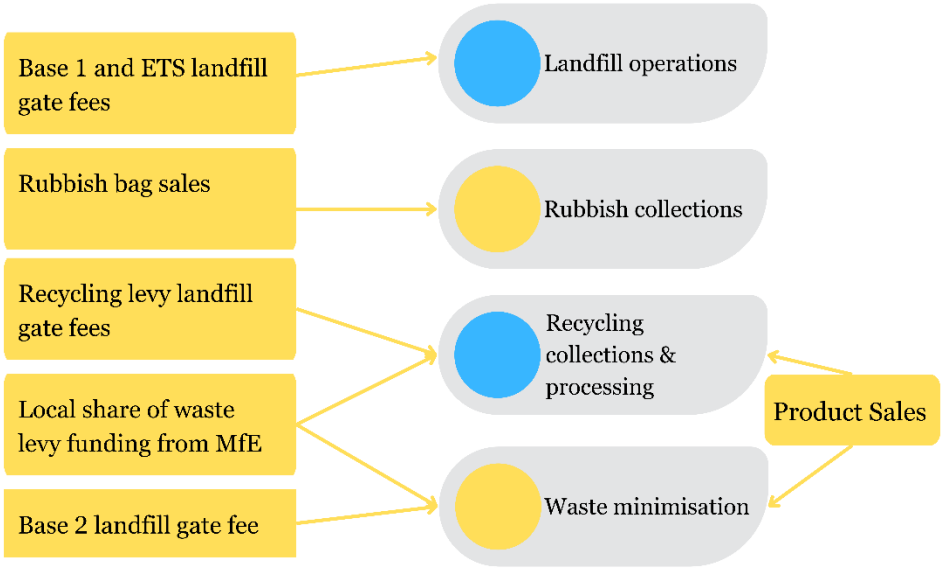
Suburban Refuse Collection (1037) is funded mainly from rubbish bag sales revenue, with a small amount of revenue coming from charges for backdoor collections.

Domestic Recycling (1038) is funded mainly from the recycling levy component of landfill gate fees, revenue from the sale of end products, and a small amount of funding from the local share of the waste levy.

Waste Minimisation (1039) is funded by the sale of end products from the Tip Shop, the Recycle Centre next to the Tip Shop, and Capital Compost, as well as the local share of the waste levy.

None of the current waste operating activities are funded by debt, rates, or any other charges not listed here.

**Current operational funding sources:**




**21. At present, residents have a number of rubbish/recycling options. Bins for glass. Bag or wheelie bin for recyclables. Bag (or private wheelie bin) for rubbish. The last item is pay-for use and the report notes annual charges of $182 ($3.50 per bag) including GST. Does this give the $5,476k "Household collection" income noted above (if so the income figure seems low)?**

| | 2021/22 | 2020/21 | 2019/20 |
|---|---|---|---|
| Number of bags sold | 1,398,500 | 1,279,500 | 1,425,000 |
| Bag Revenue | $3,775,950 | $2,900,040 | $2,959,065 |

Revenue for 2022/23 related to Suburban Refuse Collection $4.65M. This may include revenue other than rubbish bag sales, such as charges for backdoor collection.

**22. If an average household is today disposing of 713kg of waste each year what is the per household annual total cost and the breakdown of the cost assuming the household uses rubbish bags? Eg I can see that 206kg taken to landfill will incur landfill charges of $46.56 (plus GST I presume). When I took the above noted household rubbish collection and recycling costs ($5,476k + $5,315k) and divide by the number of households I got an average of about $137 for those services (plus GST), which gives a total of $211 per annum per household including**

**GST, but that is clearly too low as presumably far fewer than 78,768 households use the service?**

It is not possible to estimate the cost per household of waste disposal direct to landfill based on the information available.

Current estimates for the cost of kerbside rubbish collection are provided in an answer above.

An estimate for the cost per household of recycling collections is provided in an answer above but this is not considered reliable.

23. **The paper notes that the new targeted rate is expected to be $258 (range $210 to $280), does that include GST? If it doesn't include GST it gives Council annual income of $20.3m. Is that correct? Is that the total of what residential ratepayers will pay for the rubbish/recycling/organics collection/disposal service, including the depreciation and interest relating to capex?**

Tonkin+Taylor have confirmed that their indicative cost ranges for each option are GST inclusive. We reviewed the forecasts for the recycling levy and found that they were GST exclusive. Therefore the $258 targeted rate per household is overstated.

The following table includes the updated recycling levy revenue with GST added.

| $ million | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 |
|---|---|---|---|---|---|---|---|---|---|---|
| Collections and Processing costs Standard Service (Option F) total, not additional | $0.0 | $0.0 | $0.0 | $15.0 | $15.4 | $15.9 | $16.3 | $16.8 | $17.3 | $17.8 |
| Collections and Processing costs Bespoke Service (Option F) total not additional | $0.0 | $0.0 | $0.0 | $9.5 | $9.8 | $10.1 | $10.4 | $10.7 | $11.0 | $11.3 |
| Comms and SBS | $0.0 | $0.0 | $0.7 | $1.2 | $0.3 | $0.3 | $0.1 | $0.1 | $0.1 | $0.1 |
| Project Delivery | $0.6 | $0.9 | $0.9 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 |
| Trucking out of region | $0.0 | $0.0 | $0.0 | $0.8 | $0.8 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 |
| Total Collections opex | $0.6 | $0.9 | $1.6 | $26.5 | $26.3 | $26.3 | $26.8 | $27.5 | $28.3 | $29.1 |
| Recycling levy (uninflated, adj for tonnage forecast, GST added) | $0.0 | $8.6 | $8.6 | $7.0 | $6.4 | $6.4 | $6.5 | $6.5 | $6.5 | $6.6 |
| Opex net recycling levy | | | | $19.4 | $19.9 | $19.9 | $20.3 | $21.1 | $21.8 | $22.5 |

The forecast targeted rate per household in 2026/27 is therefore $247 including GST.

24. **The recommended new services seem to come with the following costs:**
    a. **Collection. In FY27 this is costed at $26.4m. This seems to be paid for with the $258 (+GST) per household targeted rate, which gives $20.3m. The cost seems to be far higher than what is now being incurred, what has caused that?**

Total costs are higher in 2026/27 because recycling service would be provided to more households than currently receive it, rubbish collection would be for 100% of households not the estimated 40% that use council services now, and a brand new organics collection service would be provided to all urban households.

It is not possible to reliably estimate the total cost of each collection service separately given the uncertainty in the indicative cost ranges for each option provided by T+T.

**b. The $26.4m amounts to a collection cost of $335 (+GST) per household, so why is the rate assumed to be $258 (+GST) per household?**

The recycling levy revenue from landfill gate fees is used to offset the total cost of collection as the recommendation is to continue funding recycling collections via the recycling levy. Hence the targeted rate per household is lower. These updated numbers are shown in an answer above.

**c. There are also two capex costs being a net $10.1m for bins and $22.8m being WCC's share of the organic recycling facility. While the paper notes that part of the payment will come from past landfill profits, will all the $32.9m be borrowed and hence add to WCC's debt? If so what is the projected depreciation and debt servicing cost associated with these two areas of capex?**

Other councils' targeted rates include the full cost of the service including depreciation and debt servicing costs. As the estimated cost range per household for each option was estimated based on these targeted rates, these cost ranges already include these expenses, and specific estimates of these expenses were not made.

In order to estimate a depreciation expense you need to estimate the life of the asset being depreciated. This is impossible to estimate for the organics processing facility as the type of facility has not been decided. Different components of the facility will have different estimated lives. For example, an anaerobic digestor could have a useful life of up to 50 years, which a building might have a useful life of 25 years, and other machinery a useful life of 10 years.

It is difficult to estimate depreciation expense without knowing the estimated life of the assets. For the household bins a life of 15 years could be used. In which case the straight line depreciation expense would be $940,000 annually.

The estimated interest expense depends on the available interest rates. LGFA interest rates are expected to be between 5.5% and 6% in the next few years.

If all recommended options were chosen by councillors this would require $36.7 million of additional debt. If interest rates were between 5.5% and 6% that would mean interest costs would be between $2 and $2.2 million per year.

**25. Is the $258 (+GST) targeted rate a fixed sum per household, ie will all households pay the same amount?**

While the details of how the targeted rate could be structured have not been developed, most other councils charge their waste targeted rate as a fixed charge per household. Therefore the $258 was estimated as a fixed sum per household for all residential rateable units, ie the same for all households.

**26. Will any of these proposals lock us into needing to produce food waste as feedstock to keep the plant going?**

Some facilities may have a minimum amount of feedstock to operate. An advantage of a regional facility is that this feedstock can be sourced from multiple councils.

A key consideration in selecting a preferred technology is flexibility and scalability so that it can process a range of organic waste materials and the processing capacity can be both increased and decreased.

**27. Why is Wellington not presenting an updated SWAP report and using 2018?**

Undertaking a new SWAP is expensive and there is no reason to believe the patterns from the 2018 SWAP will have changed significantly. As such updated data would not affect or alter current decision making. We should undertake one in 2025/26 as we get closer to implementing service changes to provide an up to date baseline for measuring the effect of a new collection service.

**28. Can we get a clearer indication of ETS $savings by what we are proposing to reduce waste by?**

This question has been answered above.

**29. Concerned about the increase in tonnage of clean fill / contaminated waste going to landfill in the shortterm? what initiatives are underway to reduce clean waste / C and D going to southern landfill.**

There are two privately owned class 2 landfills near Southern Landfill, but only one is operating at present. C&D landfill is not operating at the moment, and T&T landfill is operating sporadically as they near capacity of their current tip face. In the absence of class 2 landfill capacity cleanfill and other construction waste will end up in Southern Landfill and other class 1 landfills across the region. Officers are working with counterparts across the region on this issue. A paper will be coming to councillors in future on the options to address this.

**30. What is the risk of SL filling before the sludge removal/ SLEPO transition date?**

There is a risk that Southern Landfill could reach capacity before the first phase of the landfill extension is operational. The first phase of the extension is relatively small, so this risk will continue until the larger second phase is operational. The main short term lever to extend the life of the Southern Landfill is turning away contaminated soil. The medium term levers to extend the life of the early cells of the landfill extension are to invest in waste diversion projects such as those presented in these business cases.

**31. What sales have we been receiving from Capital Compost? Where is the market for this product coming from?**

Revenue for Capital Compost in 2022/23 was $217,000.

95% of sales are in bulk to trade. This includes sales to agricultural and horticultural business and landscaping companies. This includes large civil contractors such as Fulton Hogan and Downers.

In the twelve months between 1 April 2022 and 30 March 2023 there was $22,370 in sales from Capital Compost 40L bags.

**32. Is it possible to ban mattresses ASAP?**

Clause 2.21b) in the WCC waste bylaw allows for council to refuse to accept in landfill "items and material, at its sole discretion, can reasonably expected to be diverted from the waste stream."

Mattresses could not be refused from the Southern Landfill until an alternative diversion option is available. Staff are not aware of any council in New Zealand that has banned mattresses from landfill.

Ideally any ban on material going to landfill would first be supported by a nationwide product stewardship scheme or similar initiative.

The Ministry for the Environment has declared six 'priority products' for the establishment of a regulated product stewardship scheme under the Waste Minimisation Act 2008. These products are:

- Plastic packaging
- Tyres
- Electrical and electronic products
- Agrichemicals and their containers
- Refrigerants and other synthetic greenhouse gases
- Farm plastics

**N.B.** Mattresses have not been included at this time.

**33. P.g 370 return on spend at an organics processing plant? have we looked at any modelling for this? If we spend $18 million- how long would it take us to get a return on this? Are we able to bring this to the fore of the discussion that is is a possible outcome?**

A potential commercial return from an organics processing facility has not been modelled at this time as the end products are different for different processing methods, and as such the end product revenue streams would be different.

For privately owned facilities the main source of commercial return is on the profit margin charged as part of the gate fee. It is important not to overestimate the end product revenue that can be earned by these facilities. For example, while EcoGas will be earning revenue for the electricity produced at their Reporoa facility they are not earning any revenue from sale of their digestate product. This product is being given away to nearby agricultural businesses as EcoGas try to build a viable market. While Capital Compost currently charge $85/m3 for compost, the amount of revenue received per tonne will begin to decrease as the supply increases. Stockpiling of nd product can become an issue if prices are too high (or the quality of the product is poor).

Commercial operators generally use end product revenue to offset costs and reduce the gate fee they need to charge.

If the processing facility were council owned this revenue should be viewed as a way to offset costs rather than with any expectation that it would deliver a commercial return.

These issues will be considered as part of the procurement process and updated in the detailed commercial case in May 2024.

34. **What is the time line on other councils making this decision. How will we coordinate that?**

Staff at Porirua City Council and Hutt City Council will be taking the same proposal to their Councils as part of their own Long-term Plan processes. A decision of how much funding each council will set aside in their 2024-34 Long-term Plans will be confirmed at the end of June 2024. Following this a decision would be made in keeping with the procurement plan to proceed.

35. **What is the timeline for MFE to give us an answer on our application?**

There is no specified timeline, however, we expect an answer on the collections (binfrastructure, implementation and communication) application in the next few weeks.

We should have a decision from MfE on the processing facility prior to final LTP decisions being made in June 2024.

**Resource Recovery**

1. **Have we had any discussions with the Owhiro Community yet? What would the plan be to work with them on this?**

There have been no discussions with the Owhiro community on these proposals yet as they are indicative. Staff will begin engagement with the local community once councillors have made a decision whether to proceed with any of the indicative projects in the business case.

As part of the landfill extension community working group (which includes Friends of Owhiro Stream, Owhiro Residents, and the Greater Brooklyn Residents Association) the subject of resource recovery opportunities at the Southern landfill has been raised by community members. There is strong interest from the community to see significant steps taken in the direction of resource recovery.

Community engagement on any projects that councillors decide to proceed with will be done via this existing community working group. Another working group with interested stakeholders from outside the local area will be established if needed.