
REPORT 3
(1215/52/IM)

SOUTHERN LANDFILL – REVIEW OF LANDFILL CHARGES

1. Purpose of the Report

To outline the rationale for the revised landfill charges and to seek approval for revised landfill charges in line with the Council's Revenue and Financial Policy amendments and Life Cycle Costing Methodology (LCC).

2. Recommendation

It is recommended that the Committee:

1. *Receive the information.*
2. *Note that the decision to reduce landfill charges was agreed as part of the draft LTCCP deliberations and that no submissions have been received on the subject as part of that draft LTCCP Consultation process.*
3. *Note that in order to achieve financial targets revised fees have to be in place by 1st July 2006.*
4. *Note that 30 days notice to the public is required for any proposed fee charges and to achieve this timeframe, this report is being submitted in advance of the LTCCP deliberations.*
5. *Agree to restrict the acceptance of cleanfill at the Southern Landfill and terminate the current commercial rate of \$10.20 per tonne.*
6. *Agree to a new cleanfill rate of \$4.00 per tonne subject to the daily needs and prior approval before delivery.*
7. *Agree the approach for application of the special waste charges.*
8. *Agree to recommend that the Council approves the proposed fees and charges set out in Appendix 1, effective 1 July 2006.*

3. Background

As part of the draft LTCCP deliberations, the Council reviewed the Revenue and Financial Policy and approved in principle the reduction of landfill charges by the amount equivalent to the recycling levy of \$23.00 (GST inclusive) per tonne. This decision was made in order to counter the disparity of landfill fees across the region, and to ensure that the recycling levy would continue to be recovered through landfill fees by reversing the flow of waste diverted to Porirua after the closure of the Northern Landfill.

In order to achieve financial targets, fees need to be in place on 1 July 2006. Changes to fees require 30 days notice. To achieve this timeframe, this paper has been submitted outside the LTCCP process. There have been no submissions on landfill fees in the LTCCP consultation.

4. Discussion

4.1 Rationale for the Recommended Landfill Charges

The Council decided in March 2006 to reduce the current general waste fee by \$23.00 per tonne to \$78.00 per tonne (GST inclusive).

The Life Cycle Costing Methodology encapsulates the full life-cycle cost of the landfill. The model has been recalculated and has determined a price of \$61.10 (GST inclusive) per tonne, based on the assumption that 100% of the waste previously disposed of at the Northern Landfill would shift to the Southern landfill.

In addition to the recovery of life-cycle costs, the LCC calculates a recycling levy which recovers the cost of kerbside recycling. Based on the current LTCCP this levy would be \$21.96 (GST inclusive) per tonne. To achieve the price of \$78.00 (GST inclusive) per tonne, this levy will be 'capped' at \$16.90 (GST inclusive) per tonne.

4.2 General waste fees

Currently the general waste fee for commercial customers is \$101.00 per tonne. It is recommended that all vehicle types delivering general waste will be weighed in and weighed out and charged the new rate of \$78.00 per tonne as per Appendix 1.

4.3 Special Waste Fees

Certain types of waste such as asbestos and odorous waste require additional handling. The charges for special waste are based on the base general waste charge plus extra costs for the additional activities and materials required. Accordingly, it is recommended that all special waste fees be reduced by the same amount of \$23 per tonne as indicated in Appendix 1.

4.4 Cleanfill fees

The current charge for cleanfill is \$10.20 per tonne. This has led to the landfill receiving cleanfill that is not necessarily required for cover and odour suppression and that is sometimes of poor quality. To ensure that the Landfill has sufficient quality cleanfill as and when required it is recommended that the Council agrees to dispense with the current rate of \$10.20 per tonne and introduce a new rate of \$4.00 per tonne. This would be on an 'as required' basis and subject to prior approval by the Landfill Manager.

5. Financial Implications

5.1 Implications for Council

The charges are not anticipated to have an effect on current funding as they incorporate the outcome of the Council's Revenue and Financial Policy amendments. The charges are based on full cost recovery; however there is a degree of uncertainty and commercial risk.

5.2 Impact on Residents

It is expected that the new charges will have a beneficial effect for residents as the cost of disposal will reduce. Green waste volumes should increase as the lower fee will encourage green waste from the Northern suburbs, where currently there is no incentive to separate green waste.

5.3 Impact on Businesses

Waste collection businesses are likely to be positive about the fees as the costs of collection and disposal will reduce.

6. Consultation

Porirua and Hutt City Councils have been advised of this report.

7. Green Waste Fee (Set By Living Earth Limited)

Living Earth Limited will advise revised charges prior to the end of May 2006 .

8. Implementation

If approved the following timeline is proposed:

Activity	Date
Consideration by Committee	24 May 2006
Consideration by Council	31 May 2006

Advertising of notice period for new charges	1 June – 30 June 2006
Implementation of new charges	1 July 2006

9. Conclusion

This report sets out revised landfill fees and charges for the Committee to recommend to Council for approval, to reflect decisions consulted on as part of the draft LTCCP.

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Supporting Information

1) Strategic Fit / Strategic Outcome

The fees set reflect the revenue and financing approach agreed as part of the draft LTCCP deliberations.

2) LTCCP/Annual Plan reference and long term financial impact

The proposal relates to project C076. The changes in fee structure will not impact on the overall cost of this project.

3) Treaty of Waitangi considerations

There are no Treaty of Waitangi issues.

4) Decision-Making

This is in line with current policy and reflects decisions included in the draft LTCCP.

5) Consultation

a) General Consultation

The revisions to the fee structure were signalled through the draft LTCCP and there have been no submissions on the subject through that consultation process.

The revised fee structure will be notified 30 days in advance and requires no additional consultation.

b) Consultation with Maori

Not applicable for this paper.

6) Legal Implications

The proposed amendments are within the ambit of the LGA. There are no other known legal implications.

7) Consistency with existing policy

The proposal is consistent with the Funding Policy and Life Cycle Costing Model consulted as previously agreed by Council.

Appendix 1: Southern Landfill Charges

Description	Charging Criteria	Current Charge	Proposed New Charges (GST Inclusive)		
			Proposed Charge	Base	Proposed Recycling Levy
Car (General waste)	Per tonne	\$101.00	\$61.10	\$16.90	\$78.00
Minimum Charge		\$6.00	\$3.93	\$1.07	\$5.00
Lost Docket Charge		\$25.00			\$20.00
Vans and Utilities(General waste)	Per tonne	\$101.00	\$61.10	\$16.90	\$78.00
Minimum Charge		\$6.00	\$3.93	\$1.07	\$5.00
Lost Docket Charge		\$35.00			\$27.00
Trailers	Per tonne	\$101.00	\$61.10	\$16.90	\$78.00
Minimum Charge		\$6.00	\$3.93	\$1.07	\$5.00
Lost Docket Charge		\$45.00			\$30.00
Trailers – Commercial	Per Tonne	\$101.00	\$61.10	\$16.90	\$78.00
Minimum Charge		\$50.50	\$30.55	\$8.45	\$39.00
Tyres –Car	Per Tonne	\$301.50	\$261.60	\$16.90	\$278.50
Minimum Charge		\$150.75	\$130.80	\$8.45	\$139.25

Tyres –Truck	Per Tonne	\$349.50	\$309.60	\$16.90	\$326.50
Minimum Charge		\$174.75	\$154.80	\$8.45	\$163.25
Tyres –Tractors	Per Tonne	\$349.50	\$309.60	\$16.90	\$326.50
Minimum Charge		\$349.50	\$309.60	\$16.90	\$326.50
Tyres –Earthmoving/Machine	Per Tonne	\$386.00	\$346.10	\$16.90	\$363.00
Minimum Charge		\$386.00	\$346.10	\$16.90	\$363.00
Fridge / Freezer degassing (Per appliance)	Per Appliance	\$25.00	N/A	N/A	\$25.00
General Waste	Per Tonne	\$101.00	\$61.10	\$16.90	\$78.00
Minimum Charge		\$50.50	\$30.55	\$8.45	\$39.00
Special Waste – (Type A) ⁽¹⁾ Sewage, Fish, Asbestos, etc ⁽²⁾	Per Tonne	\$126.50	\$86.60	\$16.90	\$103.50
Minimum Charge		\$126.50	\$86.60	\$16.90	\$103.50
Special Waste – (Type C) Abattoir Meat, etc ⁽²⁾	Per Tonne	\$111.50	\$71.60	\$16.90	\$88.50
Minimum Charge		\$111.50	\$71.60	\$16.90	\$88.50

Clean fill (delivered by truck)	Per Tonne	\$10.20			
Minimum Charge		\$27.70	N/A	N/A	N/A
Clean fill Special (delivered by truck)	Per Tonne	\$3.00	\$4.00		\$4.00
Minimum Charge			\$4.00	N/A	\$4.00
Car bodies (stripped)	Per car body	\$20	\$20	N/A	\$20.00
Car Bodies other (still contain seats/ refuse)	Per car body	\$40	\$40	N/A	\$40
Vehicles weigh only	Per weigh	\$10	N/A	N/A	\$10
Car Tyre ⁽³⁾	Per tyre	\$3.50	N/A	N/A	\$3.50
Truck Tyre ⁽³⁾	Per tyre	\$8.75	N/A	N/A	\$8.75

Note: Green waste charges set by Living Earth Ltd

- (1) ***Any waste delivered to landfill which emits noxious, dangerous or offensive odour or requires an additional measures in terms of the Health and Safety in Employment Act or additional operational activities, or separate landfilling procedure over and above the normal activities for acceptance and landfilling of general waste***
- (2) ***Prior approval required for all waste in this category. Special waste permit required.***
- (3) ***Domestic customers only, when tyre (s) being delivered in a mixed load with general waste.***