

Questions and Answers

Pūroro Tahua | Finance and Performance

16th June 2022

2.3 Allocation of landfill surpluses

What is the basis for recommending a doubling of the fund over a % or pro-rata system?

This is a suggested amount for the 2022/23 financial year based on the available funds and the potential benefits.

As the levy is increasing - why is it not proposed to increase the fund as the levy increases?

The allocation of funds will be determined in the Waste Minimisation Management Plan (WMMP) Action Plan as part of the 2023-29 WMMP. The draft Action Plan is being co-designed with our Mana Whenua partners, Waste Free Welly and local community groups and will be presented to the Infrastructure Committee in December 2022.

Have we done projections of the levy increase, based on current trends we should have an indication of what that could look like?

The table below provides levy projections for the next 8 financial years. This is based on the current levels of funding without taking into consideration any potential reduction as a result of a decrease in waste to landfills across New Zealand. It is likely that over time as the disposal levy results in changes in behaviour, less waste will be disposed of to landfills and therefore less waste levy will be paid, which will see a fall in the total amount of the fund and a fall in the proportion distributed to Councils. It is very difficult to predict when this will occur.

	Future years									
Financial Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Waste Levy Funds (\$)	723,901	1,120,881	1,866,883	2,990,746	4,115,356	4,489,479	4,489,479	4,489,479	4,489,479	4,489,479

Have we compared our WMSF grants to other councils? Can we have a comparison to what other larger councils give out for grants?

Auckland: \$540k

Waste minimisation and innovation fund \$500k - Small \$1k-5k, Medium \$5k-\$25k, Large >\$25k. Plus a \$40k LFHW pot

Dunedin: \$140k

\$70k WM development and innovation (commercial) grant

\$60k WM community project/initiative grant

\$10k small project grant (up to \$500)

Christchurch

\$380k 'sustainability fund' – this is not from waste levy funds.

All the Canterbury TAs contribute to a pool administered by the Canterbury Waste Joint Committee of \$112k

Hamilton: \$50k

Tauranga: \$100k

Whanganui: \$100k-150k

When will there be a review period? Would officers recommend a review of the grant amount for every A/P and LTP?

A review of how the funds are allocated should be linked with the review of the WMMP, as the WMMP would determine where funding is required. The WMMP is reviewed every six years. The level of funding for each activity contained in the WMMP Action Plan can be adjusted every year as part of the Annual Plan.

How long have we had the past amount allocated for the grant since the levy came into being?

Levy funds have been allocated towards grants since the adoption of the current WMMP in 2017. There were initially two levels of grants - A small grants fund of \$50,000 per annum for projects up to \$2,000 and a medium sized grant fund of \$50,000 for project between \$2,000 and \$25,000. In 2022 a large grant fund was established for one project up to \$100,000 specifically focussing on diverting organic waste from landfill.

Do we spend the entire \$800k levy the council receives from the government on water minimisation activity?

As per the legislation, the levy can only be used on waste minimisation activities as specified in the WMMP. Any balance of funds unspent are carried forward. Currently there is \$1.7m of the Waste Minimisation Levy being held as at 30 April 2022.

Can we see the total budget line for waste minimisation initiatives that the council funds?

Since 2019 / 20 financial year up to April 2022 Council has funded \$2.2m on waste minimisation initiatives.

It doesn't seem clear to me through the recommendations that the increase in funding is allocated to start from the next financial year 22/23? Would officers support a further recommendation to clarify that?

Any increase in funding needs to be aligned with the adoption of the new WMMP as required under the Waste Minimisation Act which is scheduled for next financial year.

Can you explain para 43 better please? if we are receiving the levy shouldn't this be able to service the grants? Or is the balance of the levy going to other waste minimisation projects?

Under the legislative context of the Waste Minimisation Act, any project, grant or initiative must be included in the WMMP before money from the Levy can be used towards such project, grant or initiative, otherwise the funds are held in a ring-fence until they can be used.

Could officers please explain what is meant in paragraph 44?

The process of assessing any new project, grant or initiatives will remain the same process as currently and is outside the scope of this paper. Decisions about how any monies from the levy or from landfill surpluses are utilised are decided as part of the WMMP and until that plan is revised later in the year, any monies intended for any waste minimisation initiatives can only be released once the new WMMP is adopted.

Will the cost of the landfill extension be 100% paid for debt?

The cost of the extension will be debt funded and the debt is repaid through the depreciation funding recovered through user charges for the landfill

How can we ensure no levy or surplus pay for any growth of landfill projects, and be assured that any further investment is only on waste minimisation projects?

Decisions about how any monies from the levy or from landfill surpluses are utilised are decided as part of the WMMP.

When will we see a proposed budget for waste minimisation projects- what budget will be recommended to go alongside the Strategic roadmap and the Wellington Region Waste Management and Minimisation Plan Joint Committee (WRWMMP)?

See the answer above.

There is currently in excess of \$10 million in accumulated surpluses for the landfill, and based on recent years results this number is likely to significantly increase under the proposed funding framework. What is this funding being retained for? (Please provide specific details and cost estimates.) How and when will Council decide to spend this accumulated surplus? (Cr Condie)

Council has resolved to have no further extension to the landfill, so there will be a finite period to generate landfill surpluses and there is no guarantee that the Landfill operations will continue to generate surpluses. To ensure on-going funding for future WMMP initiatives and projects, careful consideration needs to be given to how these funds are used and over what period of time.

2.4 CCO Final Statements of Intent

What is the value of the financial risk being carried by WCC in relation to CCOs in the coming year?

It is very challenging to quantify due to the economic situation constantly evolving. Even since the time of submitting the final SOIs, where the Cable Car, Wellington Zoo and Experience Wellington were forecasting deficits, there is a more positive tourism outlook, with the cruise industry looking to launch its season in October through to April 2023. The event pipeline is also looking very promising, and the general tourism industry is recovering more quickly than anticipating, hampered in part by the airline industry's ability to rehire staff to meet demand. Inflation and cost of living pressures will also likely have an impact.