

QLDC Council
3 June 2021

Report for Agenda Item | Rīpoata moto e Rāraki take : 6

Department: Property & Infrastructure

Title | Taitara Proposed waste fees and charges 2021/22

PURPOSE OF THE REPORT | TE TAKE MŌ TE PŪRONGO

The purpose of this report is to agree the waste fees and charges for the 2021/22 year.

RECOMMENDATION | NGĀ TŪTOHUNGA

That Council:

1. **Note** the contents of this report; and
2. **Accept** the proposed increases to the waste fees and charges for the 2021/22 year, commencing 1 July 2021 as per Attachment A *'Proposed waste fees and charges for 2021/22.'*

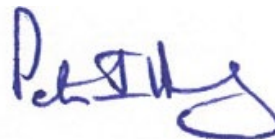
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14/05/2021

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17/05/2021

CONTEXT | HOROPAKI

- 1 QLDC's waste fees and charges were last reviewed for the 2020/21 year, with the previous review occurring in 2019/20.
- 2 An annual review is required to ensure appropriate cost recovery is achieved for waste, in line with expected costs outlined in the Ten Year Plan.

ANALYSIS AND ADVICE | TATĀRITANGA ME NGĀ TOHUTOHU

- 3 This year there are four key drivers for the need to review the fees and charges
 - a. Increase in costs associated with the Emissions Trading Scheme.
 - b. Increase in the landfill levy applied by MfE, effective 1 July
 - c. Introduction of charges to allow diversion of child car seats
 - d. Introduction of charges associated with degassing of whiteware and gas bottles
- 4 The cost of ETS units continues to increase. The Finance Team purchase as many units as they can in advance to provide some price certainty. Prices almost reached \$40 per unit at times over the last 12 months and are currently sitting around the \$37 mark.
- 5 In March Cabinet confirmed decisions regarding the waste levy increase and expansion. From 1 July 2021, the waste levy will increase from \$10 per tonne to \$20 per tonne for municipal (Class 1) landfills. This rate will continue to progressively increase annually, reaching \$60 per tonne on 1 July 2024.
- 6 SeatSmart is a National programme supporting the recovery of child car seats. The primary aim being to reduce waste to landfill, but also to improve awareness of car seat expiry dates, and therefore improve road safety for children. Up to 75% of the seat (by weight) is recyclable. 3R charge a \$25 collection fee per car seat to cover the costs of collection and recycling, as well as providing promotional material. Other Councils offer various subsidies to reduce the amount the customer has to pay (Attachment B provides details of this). It is proposed that QLDC align with CODC and charge a \$15 fee, with Council subsidising the remaining \$10.
- 7 The Ozone Protection Act 1996 outlines regulations for not releasing controlled substances into the atmosphere when importing, installing, servicing and dismantling any refrigeration or air-conditioning equipment. Appliances that contain synthetic greenhouse gasses or ozone depleting substances must have the refrigerants removed and correctly disposed of. To ensure the regulations are adhered to, appliances will be degassed onsite at the transfer stations prior to sending for recycling. The cost to do this is \$16.50 per item for whiteware. To recover this cost an equivalent fee will be introduced. Additionally it costs \$6.50 to safely dispose of gas bottles in Wakatipu and \$8.50 in Wanaka. A flat \$6.50 fee for accepting these products will be introduced.
- 8 Attachment A outlines the proposed changes to the waste fees and charges.

9 Option 1 Reject the proposal to increase the waste fees and charges and retain existing

Advantages:

10 No increase in current user charges for the community

Disadvantages:

11 Costs of collection and disposal not fully recovered

12 Additional funding required to cover shortfall

13 Option 2 Accept the proposed increase in waste fees and charges for the 21/22 year

Advantages:

14 Costs of collection and disposal recovered

15 Opportunity to divert child car seats from landfill

16 Opportunity to degas appliances and protect the environment

Disadvantages:

17 Increase in user charges for the community

18 This report recommends **Option 2** for addressing the matter because user charges will offset costs for collection and disposal, the introduction of charges for child car seats will support diversion from landfill, and the introduction of degassing appliances will support protection of the environment. The new user charges will commence 1 July 2021 as per Attachment A "*Proposed waste fees and charges for 2021/22.*"

CONSULTATION PROCESS | HĀTEPE MATAPAKI:

> SIGNIFICANCE AND ENGAGEMENT | TE WHAKAMAHI I KĀ WHAKAARO HIRAKA

19 This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy because while the change will mean an increase in user charges, the outcome will be positive in that the user charges will offset costs of collection and disposal.

20 The persons who are affected by or interested in this matter are residents/ratepayers of the Queenstown Lakes District community, and/or visitors and/or Council contractors.

21 The Council will inform its contractors via the Notice to Contractor process. Contractors will then notify their respective customers. The Council will also update our website with the new user charges.

> MĀORI CONSULTATION | IWI RŪNANGA

22 The Council has considered Māori consultation not to be applicable in this instance.

RISK AND MITIGATIONS | NGĀ RARU TŪPONO ME NGĀ WHAKAMAURUTANGA

- 23 This matter relates to the Financial risk category. It is associated with RISK00020 Financial (Unexpected change in costs) within the QLDC Risk Register. This risk has been assessed as having a moderate inherent risk rating.
- 24 The approval of the recommended option will support the Council by allowing us to implement additional controls for this risk. This shall be achieved by setting appropriate user charges while taking into consideration the needs of the community in relation to waste collection and disposal, as well as legislative requirements.

FINANCIAL IMPLICATIONS | NGĀ RITENGA Ā-PŪTEA

- 25 The Council's Ten Year plan provides budget to proceed with the recommendations contained within this report.

COUNCIL EFFECTS AND VIEWS | NGĀ WHAKAAWEAWE ME NGĀ TIROHANGA A TE KAUNIHERA

- 26 The following Council policies, strategies and bylaws were considered:
- Waste Management and Minimisation Plan 2018
 - Ten Year Plan
- 27 The recommended option is consistent with the principles set out in the named policy/policies.
- 28 This matter is included in the Ten Year Plan/Annual Plan
- Included in operational costings

LEGAL CONSIDERATIONS AND STATUTORY RESPONSIBILITIES | KA TURE WHAIWHAKAARO, ME KĀ TAKOHAKA WAETURE

- 29 The waste disposal levy was introduced under the Waste Minimisation Act 2008. The levy is currently set at \$10 per tonne (excluding GST) on all waste sent to landfill. From 1 July 2021 this rate will progressively increase. It will start with an increase for municipal (Class 1) landfills to \$20 per tonne. We are required to collect this levy and return to MfE for use in the promotion and achievement of waste minimisation.

LOCAL GOVERNMENT ACT 2002 PURPOSE PROVISIONS | TE WHAKATURETURE 2002 O TE KĀWANATAKA Ā-KĀIKA

- 30 The recommended option:
- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by ensuring user charges are fairly set and reflect the costs of waste collection and disposal;

- Can be implemented through current funding under the Ten Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

ATTACHMENTS | NGĀ TĀPIRIHANGA

A	Proposed waste fees and charges for 2021/22
B	SeatSmart South Island recycling fee examples

Attachment A

Proposed waste fees and charges for 2021/22

	Current	Proposed 1 July 2021	Difference
Cost to dispose of rubbish at the Transfer Station			
Single refuse bags	\$5.50	\$6.00	\$ 0.50
Cars / small loads (lighter than 100kg)	\$23.00	\$25.50	\$ 2.50
Van / Ute / Trailer / Large Vehicle (lighter than 200kg)	\$48.00	\$53.00	\$ 5.00
Per Tonne	\$277.00	\$306.00	\$ 29.00
Green waste/mulch small load	\$7.00	\$7.00	\$ -
Green waste/mulch trailers/vans/utes (under 200kg)	\$14.00	\$14.00	\$ -
Per Tonne of green waste	\$70.00	\$70.00	\$ -
Hazardous Waste - up to 20kg or 20 litres, flat fee	\$10.00	\$10.00	\$ -
Hazardous Waste - greater than 20kg or 20 litres, per kg up to a max 100kg or 100 litres	\$10.00	\$10.00	\$ -
Tyres per tonne	\$438.00	\$438.00	\$ -
Tyres - per std car tyre	\$5.00	\$5.00	\$ -
Tyres - per std truck tyre	\$20.00	\$20.00	\$ -
Cleanfill per tonne	\$80.00	\$80.00	\$ -
Scrap metal per tonne	no charge	no charge	\$ -
E-waste - up to 5kg, per kg	\$3.00	\$3.00	\$ -
E-waste - single items greater than 5kg, per kg up to a max 50kg	\$1.50	\$1.50	\$ -
Whiteware degassing per item		\$16.50	New rate \$16.50
Gas bottles per item (greater than 2.5kg)		\$6.50	New rate \$6.50
Childs car seat per item		\$15.00	New rate \$15.00
These charges are inclusive of GST			
	Current	Proposed 1 July 2021	Difference
Cost to dispose of permitted waste at the Landfill			
At the gate charge per tonne	\$99.50	This rate is not set until Certificate of Cost Auditor presented to QLDC, usually in June	
Waste disposal levy	\$10.00	\$20.00	\$ 10.00
Set by MfE			
Employers levy	\$46.80	\$49.80	\$ 3.00
ETS obligation levy	\$29.75	\$41.65	\$ 11.90
All other landfill charges are set by Scope Resources after the Certificate of Cost Auditor is released			
These charges are exclusive of GST			

Attachment B**SeatSmart South Island recycling fee examples**

Council	Council Subsidy	Customer Pays	Quantities received last financial year	Cost to Council last financial year
Dunedin	\$15.00	\$10.00	227	\$3,405.00
Timaru	\$20.00	\$5.00	259	\$5,180.00
Ashburton	\$25.00	\$0.00	174	\$4,350.00
Selwyn	\$10.00	\$15.00	127	\$1,270.00
Christchurch	\$0.00	\$25.00	304	\$0.00
CODC	\$10.00	\$15.00	104	\$1,040.00