

QLDC Council  
2 June 2022

Report for Agenda Item | Rīpoata moto e Rāraki take [10]

Department: Property & Infrastructure

Title | Taitara Proposed waste fees and charges 2022/23

PURPOSE OF THE REPORT | TE TAKE MŌ TE PŪRONGO

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The purpose of this report is to agree the waste fees and charges for the 2022/23 year.

RECOMMENDATION | NGĀ TŪTOHUNGA

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That Council:

1. **Note** the contents of this report;
2. **Accept** the proposed increases to the waste fees and charges for the 2022/23 year, commencing 1 July 2022 as per Attachment B *Proposed waste fees and charges for 2022/23*.
3. **Delegate** to the Chief Executive the authority to make a six monthly adjustment to the waste fees and charges in relation to the fluctuating markets of the Emissions Trading Scheme should it be required in 2022/23.

Prepared by:



Name: Laura Gledhill  
Title: Contracts Manager

12/05/2022

Reviewed and Authorised by:



Name: Pete Hansby  
Title: GM Property & Infrastructure  
16/05/2022

## CONTEXT | HOROPAKI

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- 1 QLDC's waste fees and charges were last reviewed for the 2021/22 year, with the previous review occurring in 2020/21.
- 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

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- 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 (ETS)
  - b. Increase in the landfill levy applied by MfE, effective 1 July
  - c. New MfE levy costs associated with cleanfill diversion, effective 1 July
  - d. Increase in costs associated with tyre recycling
- 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 \$87 per unit over the last 12 months and are currently sitting around the \$76 mark (Attachment A). With such volatility in the market, setting annual fees and charges to recover the true cost of ETS units is becoming more difficult. In order to mitigate any impact from the market, should adjustments in relation to ETS be required during the 22/23 financial year, it is proposed that Council delegate authority of this to the Chief Executive. Should the need arise, this would be limited to a six monthly adjustment and would be reported to Council via the Chief Executives Report.
- 5 In March 2020 Cabinet confirmed decisions regarding the waste levy increase and expansion, progressively increasing annually, reaching \$60 per tonne on 1 July 2024. On 1 July 2022 the waste levy will increase from \$20 per tonne to \$30 per tonne for Municipal (Class 1) landfills.
- 6 Similarly the waste levy is being expanded to cover other types of landfill. From 1 July 2022 for Construction and Demolition Fill (Class 2) landfills a \$20 levy will be introduced. This will increase to \$30 per tonne on 1 July 2024. While QLDC does not operate any of these sites, cleanfill is accepted at the Refuse Transfer Stations for diversion to these sites. As such, the fees and charges need to be adjusted to cover the levy cost that will be applied to cleanfill disposal.
- 7 Tyres are accepted for recycling at both Refuse Transfer Stations. These are consolidated and temporarily stored for baling and transportation to Christchurch where they are exported to overseas markets. To be economically viable for the recycler, a minimum volume of 200 tonnes is required before the tyres can be transported. Covid has significantly impacted the costs of transportation and export with high demand for limited shipping options. An adjustment to the fees and charges for tyres is required to offset these increases.

- 8 Attachment B outlines the proposed changes to the waste fees and charges.
- 9 Option 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

- Option 2 Accept the proposed increase in waste fees and charges for the 22/23 year

*Advantages:*

- 13 Costs of collection and disposal recovered

*Disadvantages:*

- 14 Increase in user charges for the community

- 15 This report recommends **Option 2** for addressing the matter because user charges will offset costs for collection and disposal. The new user charges will commence 1 July 2022 as per Attachment B *Proposed waste fees and charges for 2022/23*.

**CONSULTATION PROCESS | HĀTEPE MATAPAKI:**

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**> SIGNIFICANCE AND ENGAGEMENT | TE WHAKAMAHI I KĀ WHAKAARO HIRAKA**

- 16 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.
- 17 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.
- 18 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**

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

## RISK AND MITIGATIONS | NGĀ RARU TŪPONO ME NGĀ WHAKAMAURUTANGA

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- 20 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.
- 21 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

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- 22 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

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- 23 The following Council policies, strategies and bylaws were considered:
- Waste Management and Minimisation Plan 2018
  - Ten Year Plan
- 24 The recommended option is consistent with the principles set out in the named policy/policies.
- 25 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

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- 26 The waste disposal levy was introduced under the Waste Minimisation Act 2008. The levy for Class 1 landfills is currently set at \$20 per tonne (excluding GST) on all waste sent to landfill. This rate is progressively increasing and on 1 July 2022 will be \$30 per tonne. This levy is required to be collected and returned to MfE for use in the promotion and achievement of waste minimisation. Additionally the waste disposal levy is being expanded and on 1 July 2022 will be applied to Class 2 landfills at a cost of \$20 per tonne.

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

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- 27 The recommended option:
- Section 10 of the Local Government Act 2002 states the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural

well-being of communities in the present and for the future. 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. As such, the recommendation in this report is appropriate and within the ambit of Section 10 of the Act;

- 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**

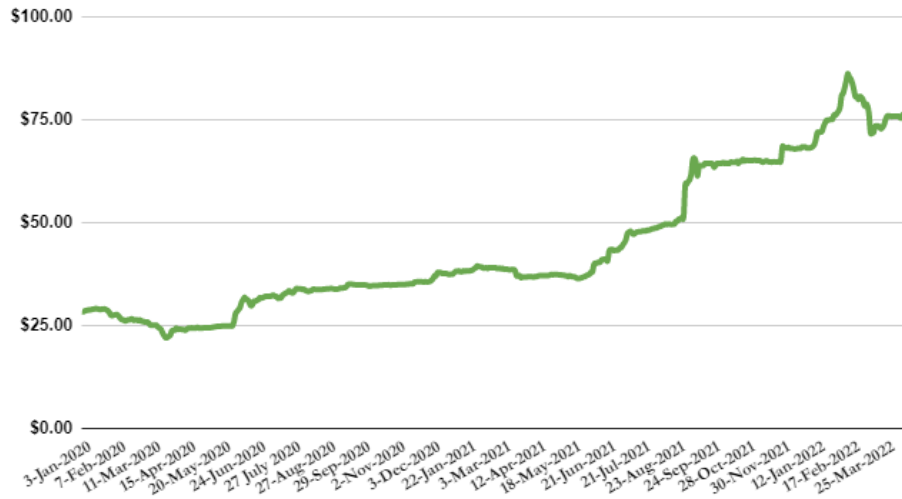
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A	Indicative Emissions Trading Unit prices
B	Proposed waste fees and charges for 2022/23

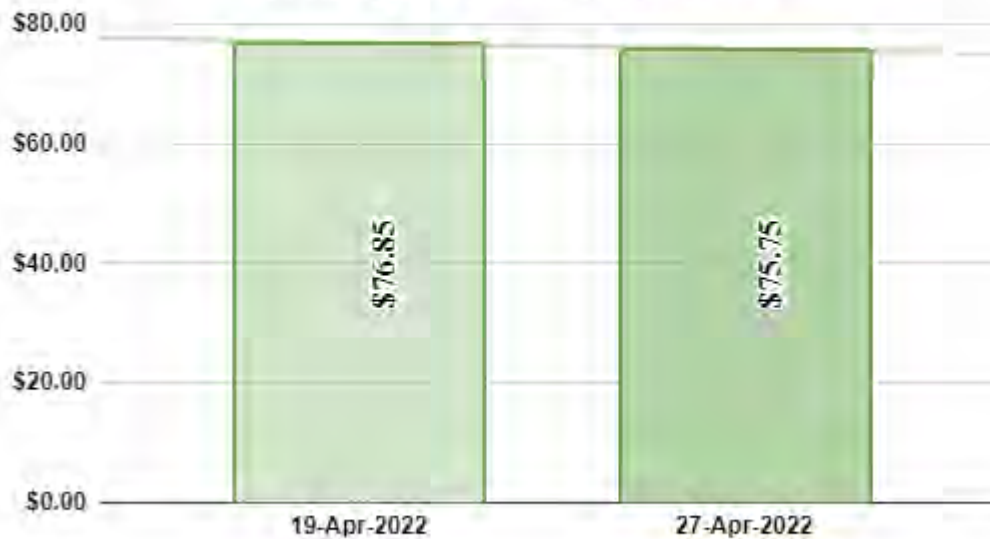
**Attachment A**

**Indicative Emissions Trading Unit prices**

**NZU Daily Price**



**Weekly Price Movement**



**Attachment B**

**Proposed waste fees and charges for 2022/23**

	Current	Proposed 1 July 2022	Difference
<b>Cost to dispose of rubbish at the Transfer Station</b>			
Single refuse bags	\$6.00	\$8.00	\$ 2.00
Cars / small loads (lighter than 100kg)	\$25.50	\$37.00	\$ 11.50
Van / Ute / Trailer / Large Vehicle (lighter than 200kg)	\$53.00	\$70.00	\$ 17.00
Per Tonne	\$306.00	\$371.00	\$ 65.00
Green waste/mulch small load	\$7.00	\$8.00	\$ 1.00
Green waste/mulch trailers/vans/utes (under 200kg)	\$14.00	\$15.00	\$ 1.00
Per Tonne of green waste	\$70.00	\$75.00	\$ 5.00
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	\$538.00	\$ 100.00
Tyres - per std car tyre	\$5.00	\$5.50	\$ 0.50
Tyres - per std truck tyre	\$20.00	\$34.00	\$ 14.00
Cleanfill per tonne	\$80.00	\$100.00	\$ 20.00
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	\$16.50	\$ -
Gas bottles per item (greater than 2.5kg)	\$6.50	\$6.50	\$ -
Childs car seat per item	\$15.00	\$15.00	\$ -
These charges are inclusive of GST			

	Current	Proposed 1 July 2022	Difference
<b>Cost to dispose of permitted waste at the Landfill</b>			
At the gate charge per tonne	\$101.00	This rate is not set until Certificate of Cost Auditor presented to QLDC, usually in June	
Waste disposal levy	\$20.00	\$30.00	\$ 10.00
<b>Set by MfE</b>			
Employers levy	\$49.80	\$51.30	\$ 1.50
ETS obligation levy	\$41.65	\$61.90	\$ 20.25
All other landfill charges are set by Scope Resources after the Certificate of Cost Auditor is released			
These charges are exclusive of GST			