

## ANNUAL PLAN BUDGET UPDATE - WASTE MANAGEMENT

Department: Waste and Environmental Solutions

### EXECUTIVE SUMMARY

- 1 This report provides an overview of the operating expenditure (opex) budgets for the 2022/23 Annual Plan year for the Waste Management Group.
- 2 A schedule of proposed fees and charges for the 2022/23 year is also presented at Attachment B.

### RECOMMENDATIONS

That the Council:

- a) **Approves** the draft 2022/23 operating budget for the Waste Management Group as shown/amended at Attachment A.
- b) **Approves** the draft 2022/23 fees and charges schedules for Waste Management as shown/amended at Attachment B.

### OPERATING BUDGETS

#### Revenue

##### *Rates*

- 3 The rates contribution for the Group has increased by \$1.709m, 36.8%. This increased funding reflects declining volumes through the Green Island landfill.

##### *External Revenue*

- 4 External revenue has increased by \$18k. This is made up of an increase in Waste Levy revenue of \$188k from Ministry for the Environment (MfE), offset by a decrease in Green Island landfill revenue due to a reduction in tonnage of waste going to the landfill.

##### *Internal Revenue*

- 5 Internal revenue has decreased by \$800k primarily due to Tahuna wastewater treatment plant now diverting sludge to an external provider as Green Island Landfill no longer has capacity for sludge waste.

## **Expenditure**

### ***Personnel Costs***

- 6 Personnel costs have increased \$393k, 45.6%. This is largely due to additional resources for a fixed term of two years, to set up and implement the new kerbside collection services.

### ***Operations and Maintenance***

- 7 Operations and maintenance costs have increased by \$958k, 9.0%. This is largely due to increases at the Green Island landfill for ETS of \$442k and the landfill management contract \$238k.
- 8 Waste Strategy costs have increased by \$158k to deliver additional education and strategic programmes. Project areas include kerbside recycling checks, tyre recycling, zero-waste promotional activities, workshops and e-recycling. These costs are funded by the Waste Levy that Council receives from MfE.
- 9 The cost of servicing community recycling facilities has increased by \$90k due to new recycling hubs.

### ***Depreciation***

- 10 Depreciation has increased by \$322k, 55.3%. This is due to capital expenditure at the Green Island landfill.

### ***Interest***

- 11 Interest has increased by \$419k. This relates to debt funding required for the planned capital expenditure programme including work on the landfills and recycling programmes.

## **FEES AND CHARGES**

- 12 Fees and charges have been categorised as 'inclusive' or 'exclusive' of Emissions Trading Scheme (ETS) costs. The landfill charges include costs associated with ETS as these general waste loads contribute to landfill emissions. ETS charges have increased from \$37.50 to \$51.50 per tonne. Changes to fees and charges due to ETS increases range from 4.1% to 25%.
- 13 All waste to landfill attracts the Ministry for the Environment Waste Levy, which is currently set at \$20 per tonne but is rising to \$30 per tonne on 1 July 2022. In response to corrective actions contained in a 'Disposal Facility Waste Disposal Levy Audit Report' conducted by the Ministry for the Environment in November 2021, the Waste Levy is now being applied to material used for daily cover at the landfill. Changes to fees and charges due to waste levy expansion range from 4.7% to 700%.
- 14 Where there has been no cost increase, fees and charges have been held at current rates.

## **Signatories**

Author:	Chris Henderson - Group Manager Waste and Environmental Solutions
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Authoriser:	Simon Drew - General Manager Infrastructure and Development
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### Attachments

	<b>Title</b>	<b>Page</b>
<a href="#">A</a>	Waste management draft budget for 2022/23	88
<a href="#">B</a>	Waste management draft fees and charges for 2022/23	89

## SUMMARY OF CONSIDERATIONS

### ***Fit with purpose of Local Government***

This decision enables democratic local decision making and action by, and on behalf of communities, and promotes the social economic, environmental, and cultural well-being of communities in the present and for the future.

### ***Fit with strategic framework***

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arts and Culture Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 Waters Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Spatial Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Integrated Transport Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Parks and Recreation Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other strategic projects/policies/plans	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The activities of Waste Management primarily contribute to the objectives and priorities of the above strategies.

### ***Māori Impact Statement***

Council budgets impact broadly across all Dunedin communities including Māori. The Council is committed to developing ongoing relationships with Māori communities, particularly with mana whenua. Strategic projects that have significance to Māori have been identified from across the organisation and these projects will work collaboratively with the Maori Partnerships Manager to ensure beneficial outcomes for Māori are achieved.

### ***Sustainability***

The Annual Plan is not proposing any changes to that provided for in the 10 year plan. Major issues and implications for sustainability are discussed and considered in the 50 year Infrastructure Strategy and financial resilience is discussed in the Financial Strategy of the current 10 year plan 2021-31.

### ***LTP/Annual Plan / Financial Strategy /Infrastructure Strategy***

This report provides a draft budget for the Waste Management Group for inclusion in the draft 2022/23 Annual Plan.

### ***Financial considerations***

Financial considerations are detailed in the report.

### ***Significance***

The 10 year plan 2021-31 budgets were considered significant in terms of the Council's Significance and Engagement Policy, and were consulted on. Variations to those budgets as discussed in this report are not considered significant in terms of the policy.

### ***Engagement – external***

There has been no external engagement in updating the draft budget for the Waste Management Group.

## SUMMARY OF CONSIDERATIONS

### ***Engagement - internal***

Staff and management from across council have been involved in the development of the draft budget.

### ***Risks: Legal / Health and Safety etc.***

There are no identified risks.

### ***Conflict of Interest***

There are no known conflicts of interest.

### ***Community Boards***

Projects identified in Community Board Plans were considered in the development of the budgets for the 10 year plan, and Community Boards were consulted at this time. Community Boards will have an opportunity to present on the draft 2022/23 Annual Plan.

Waste and Environmental Solutions Activity

## Income Statement

### for the Year Ended 30 June 2023

Actual		Budget	Draft Budget	Budget Inc (Dec)	Budget Inc (Dec)
2020-21		2021-22	2022-23		
\$000		\$000	\$000	\$000	%
<b>Revenue</b>					
3,475	Rates revenue	4,650	6,359	1,709	36.8%
-	- Rates penalties	-	-	-	-
10,559	External revenue	11,390	11,408	18	0.2%
-	- Grants and subsidies operating	-	-	-	-
-	- Grants and subsidies capital	-	-	-	-
-	- Development contributions	-	-	-	-
-	- Vested assets	-	-	-	-
1,716	Internal revenue	1,674	874	(800)	-47.8%
<b>15,750</b>	<b>Total revenue</b>	<b>17,714</b>	<b>18,641</b>	<b>927</b>	<b>5.2%</b>
<b>Expenditure</b>					
782	Personnel costs	861	1,254	393	45.6%
13,112	Operations & maintenance	10,669	11,627	958	9.0%
55	Occupancy costs	72	159	87	120.8%
2,916	Consumables & general	2,893	2,890	(3)	-0.1%
136	Grants & subsidies	140	190	50	35.7%
850	Internal charges	898	889	(9)	-1.0%
621	Depreciation	582	904	322	55.3%
179	Interest	309	728	419	135.6%
<b>18,651</b>	<b>Total expenditure</b>	<b>16,424</b>	<b>18,641</b>	<b>2,217</b>	<b>13.5%</b>
<b>(2,901)</b>	<b>Net surplus/(deficit)</b>	<b>1,290</b>	<b>-</b>	<b>(1,290)</b>	<b>-100.0%</b>

**Group - Waste management**

	2021/22 fees	2022/23 proposed	% change
<b>Waste and Environmental Solutions</b>			
<b>After Hours Opening Fee (excludes ETS)</b>			
Booth operation costs – per hour (plus any additional machine fees) After hours	\$91.00	\$91.00	0.00%
Opening Fee - After Hours	\$446.00	\$446.00	0.00%
Public weigh (weigh only)	\$10.00	\$10.00	0.00%
<b>Green Island Landfill - other charges</b>			
Compost per bag	\$7.00	\$7.00	0.00%
Compost per scoop	\$30.00	\$30.00	0.00%
<b>Green Island Transfer Station - e-Waste at the Recycling centre</b>			
<b>As per recovery costs</b>			
<b>Green Island Transfer Station – General Solid Waste (includes ETS)</b>			
General Solid Waste per 50kg (or part thereof)	\$10.00	\$11.00	10.00%
<b>Green Island Transfer Station – Vegetation for composting only (excludes ETS)</b>			
100% vegetation per 50kg (or part thereof)	\$5.00	\$7.00	40.00%
<b>Green Island Transfer Station / Landfill – Large Vehicle Charges (excludes ETS)</b>			
Clay cover per tonne	\$5.00	\$40.00	700.00%
Clay minimum charge	\$5.00	\$40.00	700.00%
Clean fill minimum charge (dry)	\$10.00	\$45.00	350.00%
Clean fill minimum charge (wet slip material)	\$41.00	\$76.00	85.40%
Clean fill per tonne (dry)	\$10.00	\$45.00	350.00%
Clean fill per tonne (wet slip material)	\$41.00	\$76.00	85.40%
Cover minimum charge	\$5.00	\$40.00	700.00%
Cover per tonne	\$5.00	\$40.00	700.00%
Rubble minimum charge	\$20.00	\$55.00	175.00%
Rubble per tonne	\$20.00	\$55.00	175.00%
<b>Green Island Transfer Station / Landfill - Special/hazardous waste</b>			
Animals remains / Asbestos including high contaminated soil per 50kg (or part thereof)	\$14.60	\$15.20	4.10%
Sludges and liquids (solids content at least 20%) per 50kg (or part thereof)	\$15.15	\$16.55	9.20%
Sludges and liquids (solids content less than 20%) per 50kg (or part thereof)	\$18.10	\$19.50	7.70%
<b>Green Island Transfer Station / Landfill - Special/hazardous waste (excludes ETS)</b>			
Contaminated soil (low level) per 50kg (or part thereof)	\$2.15	\$2.20	2.30%
Foundry sands per 50kg (or part thereof)	\$3.30	\$3.90	18.20%
Gas bottles (each)	\$13.00	\$13.00	0.00%
Household chemicals (inclusive of car - small load fee)	\$16.00	\$16.00	0.00%
Non Hazardous tanker waste per 50kg (or part thereof)	\$7.20	\$7.40	2.80%
Oil (per litre)	\$1.00	\$1.00	0.00%
Tyres (bulk loads) per 50kg (or part thereof)	\$23.00	\$30.00	30.40%
<b>Middlemarch and Waikouaiti Landfill – Large Vehicle Charges (includes ETS)</b>			
General solid waste minimum charge	\$101.00	\$107.00	5.90%
General solid waste per cubic metre	\$101.00	\$107.00	5.90%
<b>Middlemarch and Waikouaiti Transfer Stations – Large Vehicle Charges (excludes ETS)</b>			
Vegetation for composting - per cubic metre	\$75.00	\$79.00	5.30%
Vegetation for composting - minimum charge	\$75.00	\$79.00	5.30%
<b>Other charges</b>			

Blue glass bin	\$10.00	\$10.00	0.00%
Bokashi - 10lt bin	\$36.00	\$36.00	0.00%
Bokashi - 15lt bin	\$39.00	\$39.00	0.00%
Bokashi - Replacement lid	\$5.00	\$5.00	0.00%
Bokashi - Zing - bag	\$7.00	\$7.00	0.00%
Kerbside bin (additional bin/replacement bin/change of bin size) – delivery & administration fee	\$31.00	\$31.00	0.00%
<b>Refuse Collection (includes ETS)</b>			
40 Litre bags	\$3.20	\$3.40	6.20%
65 Litre bags	\$3.40	\$3.60	5.90%
<b>Transfer Stations without weighbridge – Small Vehicle Charges - General Solid Waste (includes ETS)</b>			
Car – large load	\$48.00	\$52.00	8.30%
Car – small load	\$21.00	\$22.00	4.80%
Cars and single axle trailers, vans and utes – medium load	\$73.00	\$77.00	5.50%
Cars and single axle trailers, vans and utes – large load	\$96.00	\$102.00	6.30%
Cars and single axle trailers, vans and utes – small load	\$49.00	\$50.00	2.00%
Non-Council Refuse bag – per bag, (max size 80 litres)	\$4.00	\$5.00	25.00%
Station wagon – large load	\$75.00	\$81.00	8.00%
Station wagon – small load	\$35.00	\$39.00	11.40%
Wheelie Bin per bin or part bin	\$21.00	\$22.00	4.80%
Wool pack per pack or part pack	\$21.00	\$22.00	4.80%
<b>Transfer Stations without weighbridge – Small Vehicle Charges (excludes ETS)</b>			
Car tyres – each	\$5.00	\$5.00	0.00%
Clay cover (per cubic metre)	\$5.00	\$40.00	700.00%
Cleanfill (per cubic metre - dry)	\$10.00	\$45.00	350.00%
Rubble (per cubic metre)	\$20.00	\$55.00	175.00%
<b>Transfer Stations without weighbridge - Vegetation for composting only (excludes ETS)</b>			
Car – large load 100% vegetation	\$24.00	\$28.00	16.70%
Car – small load 100% vegetation	\$9.00	\$13.00	44.40%
Station wagon – large load 100% vegetation	\$35.00	\$39.00	11.40%
Station wagon – small load 100% vegetation	\$14.00	\$18.00	28.60%
Van or Ute, Car with single axle trailer, 100% vegetation	\$44.00	\$48.00	9.10%
Van or Ute, Car with single axle trailer, 100% vegetation (small load)	\$22.00	\$26.00	18.20%
Wheelie Bin per bin 100% vegetation	\$9.00	\$13.00	44.40%
Wool pack 100% vegetation	\$9.00	\$13.00	44.40%