

WASTE MANAGEMENT - OPERATING BUDGET 2024/25

Department: Waste and Environmental Solutions

EXECUTIVE SUMMARY

- 1 This report provides an overview of the operating expenditure budgets for the Annual Plan 2024/25 for the Waste Management Group, as shown at Attachment A. A draft funding impact statement (FIS) is shown at Attachment B. The following activities are provided for:
 - Landfills
 - Waste minimisation
 - Recycling,
 - Refuse/litter collection
- 2 A schedule of proposed fees and charges for the 2024/25 year is also presented at Attachment C.

RECOMMENDATIONS

That the Council:

- a) **Adopts** for the purposes of developing the Annual Plan 2024/25 and consulting with the community.
 - i) The draft 2024/25 operating budget for the Waste Management Group as shown/amended at Attachment A.
 - ii) The draft 2024/25 fees and charges schedules for the Waste Management Group as shown/amended at Attachment C.

OPERATING BUDGETS

Revenue

Rates

- 3 Rates have increased overall in the Waste Management Group by \$10.209 million, 177.7%.
- 4 The rate increase includes \$8.840 million for the new kerbside collection service, increasing the targeted rate from \$4.768 million to \$13.608 million. This targeted rate equates to \$301.50 (GST inclusive) per household, compared to the current rate of \$106.10, i.e., an increase of \$195.40.
- 5 The new kerbside collection service, along with the propose rate increase, was consulted on as part of the 10 year plan 2021-31.

- 6 The rate increase also includes costs associated with operating the Green Island Landfill and monitoring costs associated with the proposed Smooth Hill Landfill.

External Revenue

- 7 External revenue has increased by \$2.553 million, 20.4%. Landfill revenue has increased by \$3.271 million to reflect an expected increase of 10,500 tonnes of material entering the Green Island Landfill, with the closure of the Wickliffe Street Transfer Station. Landfill disposal charges have also increased from \$260/tonne to \$280/tonne (incl. GST) to cover expected increases in waste levy and ETS charges.
- 8 Waste Minimisation revenue has increased by \$673k, mainly due to the increased waste levy from \$50/tonne to \$60/tonne, collected from users of the Green Island landfill, and an expected increase in tonnage of material received at the landfill.
- 9 Offsetting the increases in external revenue is a decrease in refuse revenue of \$1.392 million, as refuse black bag sales will stop from 1 July 2024.

Grants and Subsidies Revenue

- 10 Grants and Subsidies revenue has decreased by \$670k, 100%. Capital grant revenue in 2023/24 from Ministry for the Environment for the purchase of bins is not required in 2024/25.

EXPENDITURE

Personnel costs

- 11 Personnel costs have increased by \$331k, 30%. The budget includes a general salary increase, and includes provision for three new waste minimisation positions. Two positions are fixed term for two years and are funded from the Better Off Funding revenue. The third position is a regional waste position funded 46% by other regional authorities (Queenstown Lakes, Waitaki, Clutha and Central Otago District Councils).

Operations and maintenance

- 12 Operations and maintenance costs have increased by \$10.158 million, 82.4% due mainly to an increase of \$7.767 million for the new Kerbside Recycling and Refuse Collection service. The contract includes \$7.016 million for the collection of general refuse, mixed recycling, glass, food, and green waste, \$1.320 million for kerbside processing and \$3.609 million for disposal of kerbside waste at the Green Island landfill.
- 13 Green Island Landfill costs have increased \$1.568 million, mainly due to a \$938k increase in ETS costs and a \$536k increase in landfill contract costs. ETS and variable contract cost increases largely reflect the increased tonnage of material entering the landfill, while the increased fixed component portion of the contract is due to CPI adjustments within the contract.
- 14 Smooth Hill Landfill costs have increased \$1.080 million, due mainly to \$340k additional monitoring costs and \$700k for the implementation of the Southern Black Back Gull management plan, both being consent requirements.

Consumables and general costs

- 15 Consumables and general costs have increased by \$870k, 25.5% mainly due to an increase in Waste Levy costs at the Green Island Landfill of \$1.108 million reflecting an increased tonnage

materials entering the landfill, coupled with an increased levy charge from \$50/tonne to \$60/tonne.

- 16 Offsetting this increase is a reduction in consultants costs relating to Waste Futures communications and marketing costs for the new kerbside contract (\$186k), and a reduction in legal fees (\$100k).

Internal charges

- 17 Internal charges have increased by \$306k, 32.5% due to the reallocation of \$298k of Business Information Systems and Corporate Administration internal charges from 3 Waters.

Depreciation

- 18 Depreciation has increased by \$397k, 49.9% reflecting the capital expenditure programme.

Interest

- 19 Interest has increased by \$993k, 112.1% due to the Waste Futures capital programme, namely the new kerbside collection bins and the construction of new waste recovery and processing facilities at the Green Island landfill.

FEES AND CHARGES

- 20 Changes to fees and charges for the Waste Management Group include the following:
- 21 The Waste Disposal Levy is increasing from \$50 to \$60 per tonne, and Emission Trading Scheme charges are estimated to increase from \$65.00 to \$79.00 per tonne. To cover these increases, landfill disposal charges have been updated and individual waste disposal charges are increasing by between \$0.20 - \$6.00, 3% - 12%.
- 22 Fees and charges for activities that do not incur Waste Disposal Levy or Emissions Trading Scheme charges remain largely unchanged, with the following exceptions.
- a) Fees for Clean Fill (wet slip material) are being reclassified as Contaminated Soil Low Level.
 - b) The blue glass bin charge has increased by \$3.00, 30%.
 - c) Changes relating to the new kerbside service commencing in July 2024 are:
 - i) The removal of fees for refuse collection bag.
 - ii) New fees for additional mixed recycling and optional garden waste bins.

Signatories

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Attachments

	Title	Page
A	Waste Management Income Statement	152
B	Waste Management FIS	153
C	Draft Fees and Charges 2024/25 - Waste Management	154

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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Arts and Culture Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Spatial Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integrated Transport Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parks and Recreation Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other strategic projects/policies/plans	✓	<input type="checkbox"/>	<input type="checkbox"/>

The Waste Management Group activities 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 adoption of Te Taki Haruru – Māori Strategic Framework signals Council's commitment to mana whenua and to its obligations under the Treaty of Waitangi. Mana whenua and Mataawaka will have the opportunity to engage in the Annual Plan 2024/25 consultation process.

Sustainability

The Annual Plan 2024/25 is not proposing any changes to that provided for in the 10 year plan. Major issues and implications for sustainability are discussed in the 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 draft budgets for the Waste Management Group for inclusion in the Annual Plan 2024/25.

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 are discussed in this report. The draft budgets will be included in the Annual Plan 2024/25, and will be consulted on.

Engagement – external

There has been no external engagement in developing the draft budgets for Waste Management Group.

SUMMARY OF CONSIDERATIONS

Engagement - internal

Staff and managers from across council have been involved in the development of the draft budgets.

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 engage with the Annual Plan 2024/25 consultation process.

Waste Management
Income Statement
for the Year Ended 30 June 2025

Actual		Budget	Draft Budget	Budget Inc	Budget Inc
2022/23		2023/24	2024/25	(Dec)	(Dec)
\$000		\$000	\$000	\$000	%
Revenue					
6,007	Rates revenue	5,745	15,954	10,209	177.7%
-	- Rates penalties	-	-	-	-
13,581	External revenue	12,487	15,040	2,553	20.4%
-	- Grants and subsidies operating	-	-	-	-
1,530	Grants and subsidies capital	670	-	(670)	(100.0%)
-	- Development contributions	-	-	-	-
-	- Vested assets	-	-	-	-
1,478	Internal revenue	1,615	1,876	261	16.2%
22,596	Total revenue	20,517	32,870	12,353	60.2%
Expenditure					
962	Personnel costs	1,103	1,434	331	30.0%
15,808	Operations & maintenance	12,322	22,480	10,158	82.4%
223	Occupancy costs	249	217	(32)	(12.9%)
4,001	Consumables & general	3,411	4,281	870	25.5%
113	Grants & subsidies	140	140	-	-
858	Internal charges	941	1,247	306	32.5%
908	Depreciation	795	1,192	397	49.9%
494	Interest	886	1,879	993	112.1%
23,367	Total expenditure	19,847	32,870	13,023	65.6%
(771)	Net surplus/(deficit)	670	-	(670)	(100.0%)
Expenditure by Activity					
2,669	Administration	2,287	2,346	59	2.6%
12,379	Landfills	10,382	14,939	4,557	43.9%
7,661	Refuse, recycling, litter	6,400	14,471	8,071	126.1%
658	Waste Strategy	778	1,114	336	43.2%
23,367	Total expenditure	19,847	32,870	13,023	65.6%

Dunedin City Council
Funding Impact Statement
for the Year Ended 30 June 2024 for Waste management

	2023/24 Annual Plan \$000	2024/25 Long-term plan \$000	2024/25 Annual Plan \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	978	4	2,346
Targeted rates	4,767	12,980	13,608
Subsidies and grants for operating purposes	-	-	-
Fees and charges	12,487	12,653	15,040
Internal charges and overheads recovered	1,615	1,808	1,876
Interest and dividends from investments	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	19,847	27,445	32,870
Applications of operating funding			
Payments to staff and suppliers	17,225	23,396	28,552
Finance costs	886	1,320	1,879
Internal charges and overheads applied	941	969	1,247
Other operating funding applications	-	-	-
Total application of operating funding (B)	19,052	25,685	31,678
Surplus/(deficit) of operating funding (A-B)	795	1,760	1,192
Sources of capital funding			
Subsidies and grants for renewals expenditure	-	-	-
Subsidies and grants for capital expenditure	670	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	10,241	10,843	27,020
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	10,911	10,843	27,020
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	11,083	10,697	27,607
- to replace existing assets	623	472	605
Increase/(decrease) in reserves	-	-	-
Increase/(decrease) in investment (DCHL)	-	-	-
Increase/(decrease) of other investments	-	1,434	-
Total application of capital funding (D)	11,706	12,603	28,212
Surplus/(deficit) of capital funding (C-D)	(795)	(1,760)	(1,192)
Funding balance ((A-B)+(C-D))	-	-	-

	2023/24 fees	2024/25 proposed fees	\$ change	% change
Waste Management				
Waste and Environmental Solutions				
After Hours Opening Fee (excludes ETS)				
Booth operation costs – per hour (plus any additional machine fees)	\$91.00	\$91.00	\$0.00	0%
After hours				
Opening Fee - After Hours	\$446.00	\$446.00	\$0.00	0%
Public weigh (weigh only)	\$10.00	\$10.00	\$0.00	0%
Green Island Landfill - other charges				
Compost per bag	\$7.00	\$7.00	\$0.00	0%
Compost per scoop	\$30.00	\$30.00	\$0.00	0%
Green Island Transfer Station - e-Waste at the Recycling centre				
As per recovery costs	-	-	-	-
Green Island Transfer Station – General Solid Waste (includes ETS)				
General Solid Waste per 50kg (or part thereof)	\$13.00	\$14.00	\$1.00	8%
Green Island Transfer Station – Vegetation for composting only (excludes ETS)				
100% vegetation per 50kg (or part thereof)	\$5.00	\$5.00	\$0.00	0%
Green Island Transfer Station / Landfill – Large Vehicle Charges (excludes ETS)				
Clay cover per tonne	\$16.50	\$16.50	\$0.00	0%
Clay minimum charge	\$16.50	\$16.50	\$0.00	0%
Clean fill minimum charge (dry)	\$21.50	\$21.50	\$0.00	0%
Clean fill minimum charge (wet slip material) (removed and to be reclassified as contaminated soil low level)	\$41.00	-	-	-
Clean fill per tonne (dry)	\$21.50	\$21.50	\$0.00	0%
Clean fill per tonne (wet slip material) (removed and to be reclassified as contaminated soil low level)	\$41.00	-	-	-
Cover minimum charge	\$16.50	\$16.50	\$0.00	0%
Cover per tonne	\$16.50	\$16.50	\$0.00	0%
Rubble minimum charge	\$31.50	\$31.50	\$0.00	0%
Rubble per tonne	\$31.50	\$31.50	\$0.00	0%
Green Island Transfer Station / Landfill - Special/hazardous waste				
Animals remains/asbestos including high contaminated soil per 50kg (or part thereof)	\$18.50	\$19.90	\$1.40	8%
Sludges and liquids (solids content at least 20%) per 50kg (or part thereof)	\$18.50	\$19.90	\$1.40	8%
Sludges and liquids (solids content less than 20%) per 50kg (or part thereof)	\$21.45	\$22.85	\$1.40	7%
Green Island Transfer Station / Landfill - Special/hazardous waste (excludes ETS)				
Contaminated soil (low level) per 50kg (or part thereof)	\$5.05	\$5.65	\$0.60	12%
Foundry sands per 50kg (or part thereof)	\$5.05	\$5.65	\$0.60	12%
Gas bottles (each)	\$13.00	\$13.00	\$0.00	0%
Household chemicals (inclusive of car - small load fee)	\$16.00	\$16.00	\$0.00	0%
Non Hazardous tanker waste per 50kg (or part thereof)	\$7.60	\$7.85	\$0.25	3%
Oil (per litre)	\$1.00	\$1.00	\$0.00	0%
Tyres (bulk loads) per 50kg (or part thereof)	\$30.00	\$30.00	\$0.00	0%

	2023/24 fees	2024/25 proposed fees	\$ change	% change
Middlemarch and Waikouaiti Landfill – Large Vehicle Charges (includes ETS)				
General solid waste minimum charge	\$115.00	\$121.00	\$6.00	5%
General solid waste per cubic metre	\$115.00	\$121.00	\$6.00	5%
Middlemarch and Waikouaiti Transfer Stations – Large Vehicle Charges (excludes ETS)				
Vegetation for composting - per cubic metre	\$75.00	\$75.00	\$0.00	0%
Vegetation for composting - minimum charge	\$75.00	\$75.00	\$0.00	0%
Other charges				
Blue glass bin	\$10.00	\$13.00	\$3.00	30%
Bokashi - 10lt bin	\$36.00	\$36.00	\$0.00	0%
Bokashi - 15lt bin	\$39.00	\$39.00	\$0.00	0%
Bokashi - Replacement lid	\$5.00	\$5.00	\$0.00	0%
Bokashi - Zing - bag	\$7.00	\$7.00	\$0.00	0%
Kerbside bin (additional bin/replacement bin/change of bin size) – delivery & administration fee	\$31.00	\$31.00	\$0.00	0%
Mixed recycling bin - annual service charge (additional bin)	-	\$48.00	-	-
Optional garden waste bin - annual service charge	-	\$88.00	-	-
Refuse Collection (includes ETS)				
40-Litre bags	\$2.60	-	-	-
65-Litre bags	\$2.80	-	-	-
Transfer Stations without weighbridge – Small Vehicle Charges - General Solid Waste (includes ETS)				
Car – large load	\$57.00	\$61.00	\$4.00	7%
Car – small load	\$24.00	\$25.00	\$1.00	4%
Cars and single axle trailers, vans and utes – medium load	\$82.00	\$86.00	\$4.00	5%
Cars and single axle trailers, vans and utes – large load	\$110.00	\$116.00	\$6.00	6%
Cars and single axle trailers, vans and utes – small load	\$58.00	\$62.00	\$4.00	7%
Non-Council Refuse bag – per bag (max size 80 litres)	\$5.00	\$5.20	\$0.20	4%
Station wagon – large load	\$89.00	\$95.00	\$6.00	7%
Station wagon – small load	\$44.00	\$48.00	\$4.00	9%
Wheelie Bin per bin or part bin	\$24.00	\$25.00	\$1.00	4%
Wool pack per pack or part pack	\$24.00	\$25.00	\$1.00	4%
Transfer Stations without weighbridge – Small Vehicle Charges (excludes ETS)				
Car tyres – each	\$5.00	\$5.00	\$0.00	0%
Clay cover (per cubic metre)	\$5.00	\$5.00	\$0.00	0%
Cleanfill (per cubic metre - dry)	\$10.00	\$10.00	\$0.00	0%
Rubble (per cubic metre)	\$20.00	\$20.00	\$0.00	0%
Transfer Stations without weighbridge - Vegetation for composting only (excludes ETS)				
Car – large load 100% vegetation	\$24.00	\$24.00	\$0.00	0%
Car – small load 100% vegetation	\$9.00	\$9.00	\$0.00	0%
Station wagon – large load 100% vegetation	\$35.00	\$35.00	\$0.00	0%
Station wagon – small load 100% vegetation	\$14.00	\$14.00	\$0.00	0%
Van or Ute, Car with single axle trailer - 100% vegetation (small load)	\$22.00	\$22.00	\$0.00	0%
Van or Ute, Car with single axle trailer, 100% vegetation	\$44.00	\$44.00	\$0.00	0%
Wheelie Bin per bin 100% vegetation	\$9.00	\$9.00	\$0.00	0%

	2023/24 fees	2024/25 proposed fees	\$ change	% change
Wool pack 100% vegetation	\$9.00	\$9.00	\$0.00	0%