



# *Hastings District Council*

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**OPEN**

## **A G E N D A**

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### **OMARUNUI REFUSE LANDFILL JOINT COMMITTEE MEETING**

Meeting Date: **Friday, 20 September 2019**

Time: **1.00pm**

Venue: **Council Chamber  
Ground Floor  
Civic Administration Building  
Lyndon Road East  
Hastings**

<b>Committee Members</b>	<b>Chair:</b> Councillor Heaps Councillors Lawson, Nixon and Redstone (HDC) Councillors Dallimore (Deputy Chair) and Tapine (NCC) NCC Alternate: Mayor Dalton HDC Alternate: Councillor Kerr <i>(Quorum = 4 including at least one elected member from each Council)</i>
<b>Officer Responsible</b>	Waste and Data Services Manager, Martin Jarvis
<b>Committee Secretary</b>	Carolyn Hunt (Ext 5634)



**HASTINGS DISTRICT COUNCIL**  
**OMARUNUI REFUSE LANDFILL JOINT COMMITTEE**  
**MEETING**

**FRIDAY, 20 SEPTEMBER 2019**

**VENUE:** Council Chamber  
Ground Floor  
Civic Administration Building  
Lyndon Road East  
Hastings

**TIME:** 1.00pm

**A G E N D A**

**1. Apologies**

At the close of the agenda no apologies had been received.

At the close of the agenda no requests for leave of absence had been received.

**2. Conflict of Interest**

Members need to be vigilant to stand aside from decision-making when a conflict arises between their role as a Member of the Council and any private or other external interest they might have. This note is provided as a reminder to Members to scan the agenda and assess their own private interests and identify where they may have a pecuniary or other conflict of interest, or where there may be perceptions of conflict of interest.

If a Member feels they do have a conflict of interest, they should publicly declare that at the start of the relevant item of business and withdraw from participating in the meeting. If a Member thinks they may have a conflict of interest, they can seek advice from the General Counsel or the Democratic Support Manager (preferably before the meeting).

It is noted that while Members can seek advice and discuss these matters, the final decision as to whether a conflict exists rests with the member.

**3. Confirmation of Minutes**

Minutes of the Omarunui Refuse Landfill Joint Committee Meeting held Friday 21 June 2019.  
*(Previously circulated)*

<b>4.</b>	<b>Health and Safety Update Report</b>	<b>5</b>
<b>5.</b>	<b>Annual Review of Hedging Strategy for Landfill Carbon Emissions</b>	<b>17</b>
<b>6.</b>	<b>Omarunui Joint Landfill Annual Report for the Year Ending 30 June 2019</b>	<b>23</b>
<b>7.</b>	<b>Additional Business Items</b>	
<b>8.</b>	<b>Extraordinary Business Items</b>	

**REPORT TO:** OMARUNUI REFUSE LANDFILL JOINT COMMITTEE

**MEETING DATE:** FRIDAY 20 SEPTEMBER 2019

**FROM:** SENIOR HEALTH & SAFETY CO-ORDINATOR  
NIKOLA BASS

**SUBJECT:** HEALTH AND SAFETY UPDATE REPORT

## **1.0 PURPOSE AND SUMMARY - TE KAUPAPA ME TE WHAKARĀPOPOTOTANGA**

- 1.1 The purpose of this report is to update the Committee about Health and Safety Management at the Omarunui Refuse Landfill.
- 1.2 The Health and Safety at Work Act (HSWA) came into effect on 4 April 2016.
- 1.3 The HSWA has created a role named specifically under the Act as “Officers”. The Act places a positive duty on ‘Officers’ of an organisation to exercise due diligence to ensure that the organisation complies with its Health and Safety duties and obligations.
- 1.4 The term “Officers” in the Act includes those who hold positions that enable them to significantly influence the management of the organisation.
- 1.5 For the purposes of this Joint Committee these roles will be referred to “HSWA Officers” (to assist with differentiating between it and “Council Officers”).
- 1.6 HSWA Officers for Hastings District Council are Elected Members and the Chief Executive, and may extend to members of the Leadership Management Team.
- 1.7 Whilst Hastings District Council HSWA Officers are provided with monthly and quarterly health and safety reports in order to assist them in meeting their governance obligations. It is recognised that Napier City Council’s Elected Members are also members of this Joint Committee and therefore an overview of Health and Safety Management at the Omarunui Landfill is provided below in order to assist them with their governance obligations.
- 1.8 Due diligence requires HSWA Officers to take reasonable steps to understand the organisation’s operations and Health and Safety risks, and to ensure that they are managed so that Council meets its legal obligations.
- 1.9 **Health and Safety Reporting**
- 1.10 Regular reports have been provided to the Joint Committee on a six monthly basis for the last 18 months and there now sufficient history to provide comparative performance moving forward.
- 1.11 The Health and Safety Management Report has been updated from January 2019 to provide comparative analysis with previous data incorporating trending for Lead and Lag indicators.

- 1.12 Lagging indicators measure an organisation using past incident statistics, for example injury statistics. A leading indicator is a measure preceding or indicating a future event used to drive and measure activities carried out to prevent and control injury or illness. They are focused on future safety performance and continuous improvement, for example personal risk assessments, toolbox talks and audits. Health and safety reporting is most comprehensive when it encompasses both Lead and Lag Indicators.
- 1.13 In addition to the six monthly reports, any significant incidents or exceptions continue to be reported quarterly within the operational report.

## 2.0 RECOMMENDATIONS - NGĀ TŪTOHUNGA

### A) That the Council/Committee receives the report titled Health and Safety Update Report.

#### Attachments:

1 [↓](#) Health and Safety Report

HR-03-01-19-318

# Omarunui Refuse Joint Landfill Committee Health and Safety Report 2018/2019 1 January to 30 June 2019

This report contains information that was reported during the period 1 January 2019 to 30 June 2019 and is current as at 27 August 2019

# GLOSSARY OF TERMS

Item 4

## Leading Indicators

- **Hazards Reported** – reports of newly identified hazards (in HDC facilities/worksites).
- **Health and Safety Risk Assessments** – documented risk assessments for HDC tasks/projects.
- **Health and Safety Observations** - documented conversations/ or task observations undertaken by Managers/Supervisors with HDC employees or Contractors.
- **Health and Safety Inspections** - documented inspections (usually a check of a site or facility using set criteria) undertaken by Managers/Supervisors with HDC employees or Contractors.
- **Health and Safety Audits** - documented health and safety system or contract audits undertaken by Managers/Supervisors with HDC employees or Contractors.
- **Health and Safety Discussions** – documented meetings in which health and safety matters are discussed with HDC employees in attendance (e.g. Monthly team meetings).
- **Health and Safety Training** - documented records of employees who have undertaken safety training for the month (both internal and external training).
- **Health and Safety Recognition** - documented recognition of excellence by HDC in regards Health and Safety.
- **Toolbox Briefings** – job planning / start-up meetings held daily or weekly at a job site before work begins where health and safety hazards and control measures are discussed.

Attachment 1

## Lagging Indicators

- **Near Misses** - Close call events - i.e. no injury or property damage sustained.
- **Property Damages** – reported damage to HDC property/plant/equipment.
- **First Aid Injuries** - Injuries treated onsite by HDC Employees and no further treatment required.
- **Medical Treatment Injuries** - Injuries treated by Registered Medical Professionals e.g. nurse, doctor, physiotherapist, dentist.
- **Lost Time Injuries** - Injuries resulting in time off work.
- **WorkSafe Notifiable Events** - Any incidents which were legally required to be reported to WorkSafe NZ.



## A. EXECUTIVE SUMMARY

This report has been prepared for the Omarunui Refuse Joint Landfill Committee, and provides meaningful statistics in relation to health and safety practices at the Omarunui Landfill for the period 1 January 2019 to 30 June 2019. The data is presented alongside previous periods for comparison.

### Leading Indicators (Proactive Measures)

For the six months to 30 June 2019, leading indicators are predominately steady compared to previous periods. Safety observations are being completed for both employees and contractors, recording proactive conversations regarding health and safety matters, for example communications around the tip face or prestart checks on equipment. These are designed to reinforce positive behaviours and help to prevent incidents before occurring. The B2.2 graph on page 5 shows those whom have been observed, with the contracting company MW Lissette's having had the majority of observations recorded. Over 75% of the observations were positive and it is hoped this improves overtime.

Health exposure monitoring for employees working at the landfill was completed in 2018 and confirmed that the current health controls, including vehicle filtration systems and personal protective equipment, are effective to protect workers from the key health risks identified onsite (e.g. noise, diesel particulate, asbestos, respirable silica, inhalable dust, methane and hydrogen sulphide). Whole-body and hand-arm vibration exposure monitoring was completed in early 2019 for operators of plant and machinery to assess exposure levels and identify any controls necessary. Early results indicate that vibration exposure is well below the workplace exposure standards, although further testing will be required to confirm this. Further exposure monitoring is scheduled for 2020.

### Lagging Indicators (Reactive Measures)

For the quarter three and four of 2018/19 the lagging indicators remained steady compared with previous periods, with the exception of property damage. The team have been actively ensuring more reporting around property damage to understand where it is occurring onsite. There have been a number of contractor property damage instances where loads have been

lost on the weighbridge and the team have been working with the main company causing these.

An analysis of incidents during the six month period to 30 June 2019, shows that plant and mobile equipment, vehicles, tools and equipment and hazardous substances were the main hazard/risk classifications during the period.







Table C1.3 on page 7 summarises the significant incidents which occurred during the six month period to 30 June 2019. The significant events in this period occurred in areas outside the high risk areas and related to material storage and surface conditions.

### Other Activities

The Omarunui Pest Management Program will be in operation during the winter period, including management of the Black Gull population located at the Landfill. Notifications of this activity will be advised as per the approved procedure and consent requirements.

## B. LEADING INDICATORS

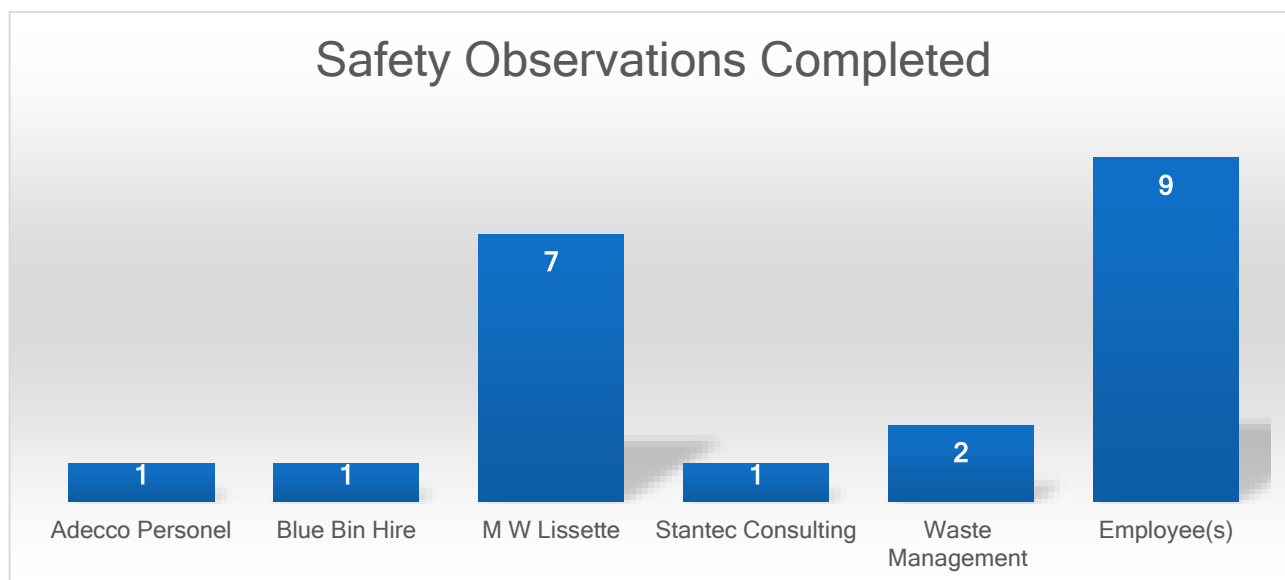
### B1. Indicator Measures

Leading Indicator	FY18/19 Q3 & Q4	FY18/19 Q1 & Q2	FY17/18 Q3 & Q4	FY17/18 Q1 & Q2	Trend
Hazards reported	4	0	6	0	
Toolbox Health and Safety Briefings held	66	142	126	172	
Health and Safety Risk Assessments undertaken	658	603	420	1072	
Health and Safety Observations completed	18	0	0	18	
Number of staff attending Health and Safety training	10	15	17	13	
Health and Safety Recognition	0	0	0	0	

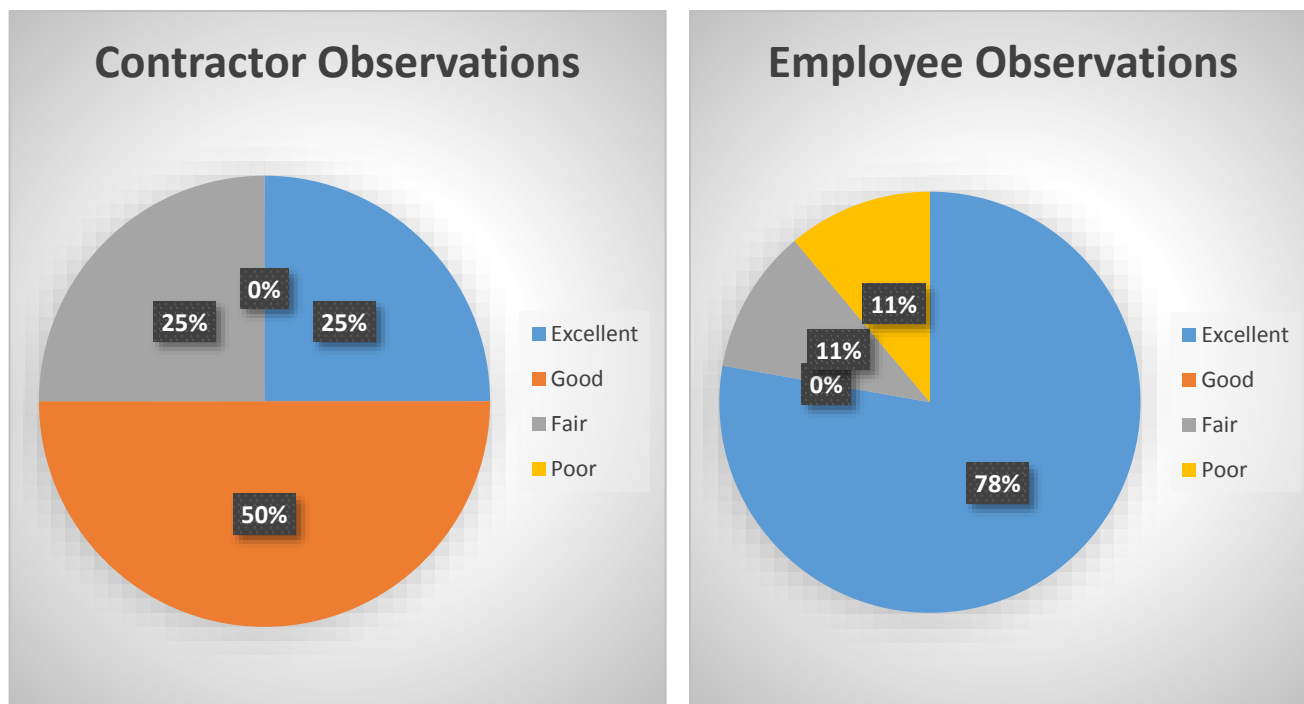
Key:  Positive Movement / No Change  <20 % Negative Movement  >20% Negative Movement

## B2. Hazard Analysis

### B2.1 Safety Observations Completed – (FY2019-20 Quarter 3 and 4)



### B2.2 Safety Observations Outcomes – (FY2019-20 Quarter 3 and 4)



#### RESULTS CRITERIA

- Excellent (All work being performed safely and safety leadership being demonstrated)
- Good (Work generally being performed safely. Only minor improvement opportunities identified)
- Fair (A couple of unsafe practices and/or conditions were observed)
- Poor (Many unsafe practices and/or conditions were observed)

# C. LAGGING INDICATORS

## C1. Reported Incidents

### C1.1 Employee Incidents

Lagging Indicator	FY18/19 Q3 & Q4	FY18/19 Q1 & Q2	FY17/18 Q3 & Q4	FY17/18 Q1 & Q2
Near Miss	5	2	7	6
Property Damage	21	5	5	3
Injuries	1	1	2	0
• First Aid Treatment	0	0	2	0
• Medical Treatment	0	1	0	0
• Lost Time	1	0	0	0
WorkSafe Notifiable Events	0	1	0	0

### C1.2 Contractor Incidents

	FY18/19 Q3 & Q4	FY18/19 Q1 & Q2	FY17/18 Q3 & Q4	FY17/18 Q1 & Q2
Near Miss	0	1	2	3
Property Damage	13	1	3	6
Injuries	1	3	0	2
• First Aid Treatment	0	1	0	0
• Medical Treatment	0	0	0	2
• Lost Time	1	2	0	0
WorkSafe Notifiable Events	0	0	0	0

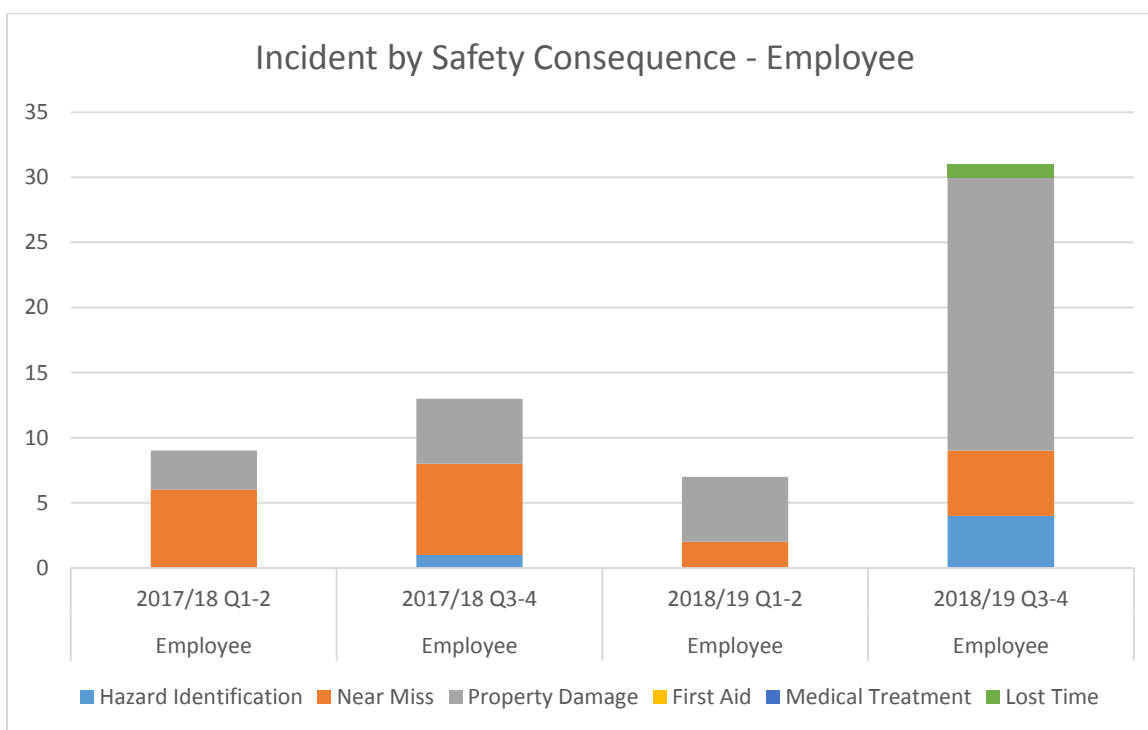
### C1.3 Significant Incident Summary

‘Significant Incidents’ refer to any incidents which required medical treatment or resulted in significant property damage or WorkSafe notifiable events.

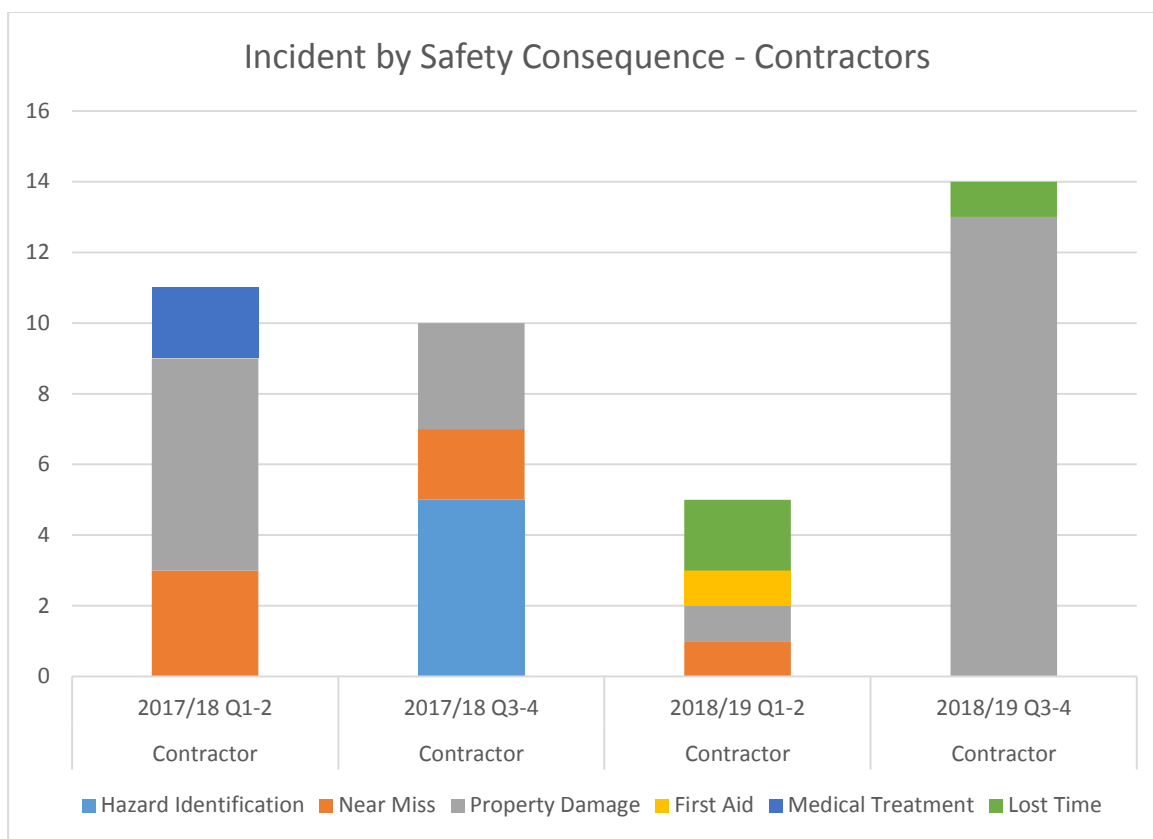
Month	Relationship	Type	Incident Description
May	Employee	Lost time Injury	An employee sustained a laceration to their finger when pipework slipped while moving it from storage. The worker received medical treatment and had time off work. This incident has been investigated and corrective actions implemented.
June	Contractor	Lost time Injury	A contractor worker sustained a neck strain when jolted whilst operating loader on uneven surface. The worker received medical treatment and had time off work. This incident has been investigated and corrective actions implemented.

## C2. Incident Analysis

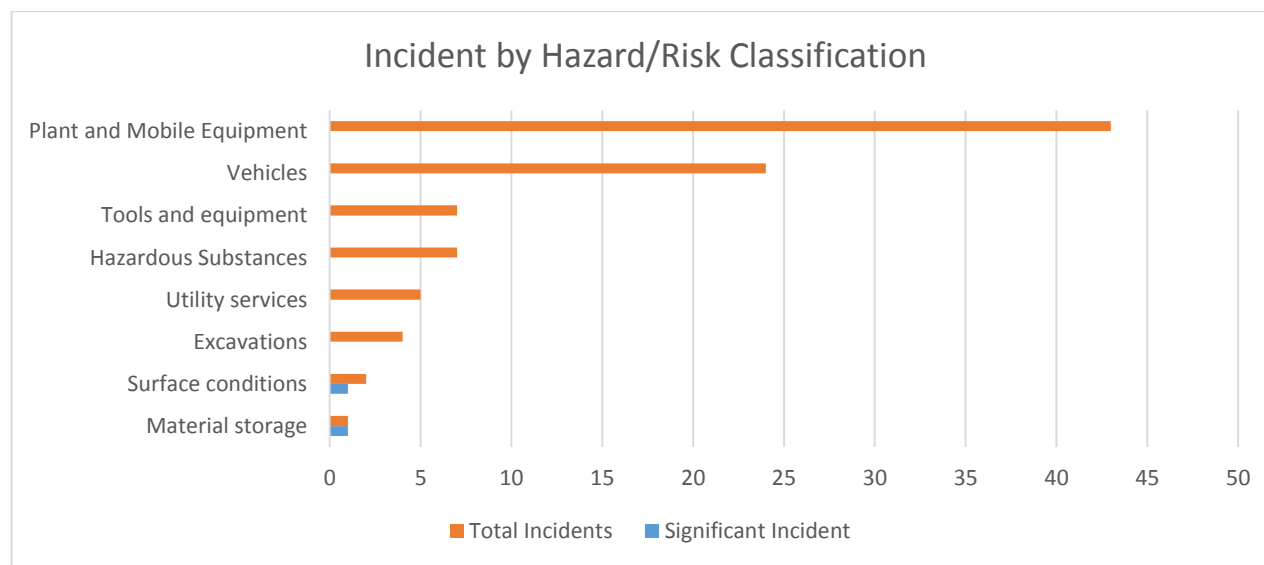
### C2.1 Employee Incidents by Safety Consequence



## C2.2 Contractor Incidents by Safety Consequence



## C2.3 Incidents by Hazard/Risk Classification (FY2019-20 Quarter 3 and 4)



'Significant Incidents' refer to any incidents which required medical treatment or resulted in significant property damage or WorkSafe notifiable events.





**REPORT TO:** OMARUNUI REFUSE LANDFILL JOINT COMMITTEE

**MEETING DATE:** FRIDAY 20 SEPTEMBER 2019

**FROM:** MANAGEMENT ACCOUNTANT  
JEFF TIEMAN

**SUBJECT:** ANNUAL REVIEW OF HEDGING STRATEGY FOR  
LANDFILL CARBON EMISSIONS

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**1.0 EXECUTIVE SUMMARY - *TE KAUPAPA ME TE WHAKARĀPOPOTOTANGA***

- 1.1 The purpose of this report is to obtain a decision from the Committee on the hedging strategy for carbon emissions at the Omarunui Landfill.
- 1.2 This issue arises from the regulations for landfill methane emissions under the New Zealand Emissions Trading Scheme (NZ ETS) which require waste disposal facility operators to surrender emissions units (known as New Zealand Units, NZU) by 31 May each year to match their emissions for the previous calendar year.
- 1.3 This report concludes by recommending that the Committee approve the signing of forward contracts to fix the price of NZUs for the 2021 calendar year at 100% cover along with additional cover for 2022 at 80% and 2023 at 60%.

**2.0 RECOMMENDATIONS - *NGĀ TŪTOHUNGA***

- A) That the Committee receives the report titled Annual Review of Hedging Strategy for Landfill Carbon Emissions.
- B) That the Committee endorse the forward purchase contract for 107,100 New Zealand Units currently estimated at around \$2,999,871 to fix the price of NZUs for the calendar years 2021, 2022 and 2023, in line with adopted policy. The Chief Executive (Hastings District Council) be authorised to approve the nature of the contract and to execute the necessary contracts.
- C) That it be noted that the actual cost of the extension of the forward purchase contract can only be firmly established when the order is placed in the market.
- D) That the hedging strategy be reviewed annually.

### 3.0 BACKGROUND – TE HOROPAKI

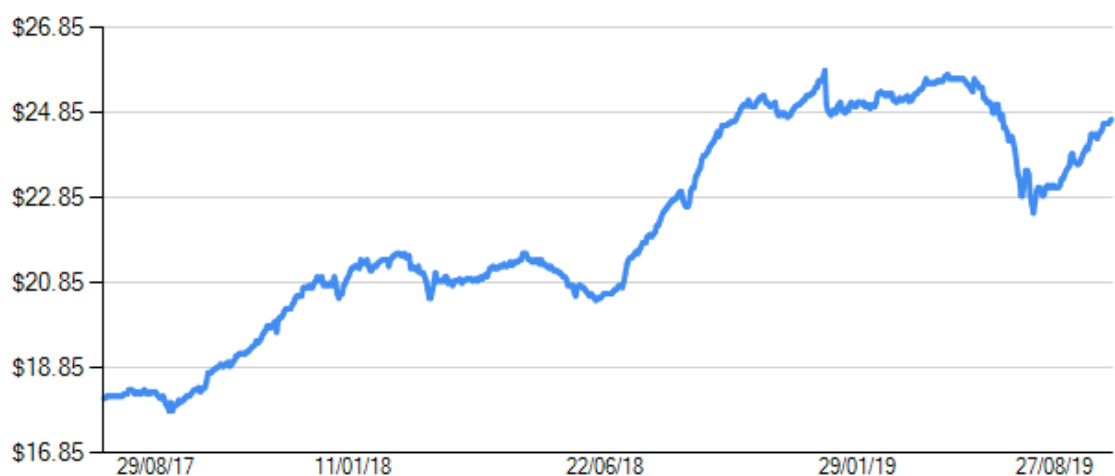
- 3.1 A report on the surrender requirements and obligations for Landfills under the Emissions Trading Scheme (ETS) was presented to the Omarunui Refuse Landfill Joint Committee at a meeting on 29 June 2012. In summary the report recommended the parent Councils approve the purchase of NZU forward contracts to fix the price of NZUs for three years in advance. This would ensure prudent management of NZU price risk, provide the Landfill with price certainty on NZU prices and ensure full cost recovery.
- 3.2 At its meeting on the 5<sup>th</sup> October 2018, the Omarunui Refuse Landfill Joint Committee approved a hedging strategy to hold forward contracts for NZU's at 100% for the next 3 years, 80% for year 4 and 60% for year 5.
- 3.3 The committee also resolved that the hedging strategy be reviewed annually.
- 3.4 The landfill has met its surrender obligations for the 2018 calendar year. The landfill had forward cover contracts for 81,548 NZU. This was short by 5,412 NZU and the landfill had to pay the Government fix rate of \$25.00 per NZU to cover this. This now leaves the landfill holding forward contracts to purchase a total of NZU 362,950 for surrender in May 2020, May 2021, May 2022 and May 2023. Details of the NZU forward contracts held by the Landfill are as follows:

Calendar year	Surrender	Cover	Seller	Buyer	No of NZU's	Price/unit	Cost
2019	May 2020	100%	Westpac	HDC	105,910	\$19.96	\$2,133,963
2020	May 2021	100%	Westpac	HDC	107,100	\$27.65	\$2,961,315
2021	May 2022	80%	Westpac	HDC	85,680	\$28.71	\$2,459,872
2022	May 2023	60%	Westpac	HDC	64,260	\$29.80	\$1,914,948

- 3.5 The chart below shows the trend in the NZU spot price for the last 3 years.

PRICE HISTORY

SPOT NZUS



- 3.6 Current indicative NZU forward cover price for 2021 is \$26.75, 2022 \$27.65 and 2023 \$28.55

- 3.7 Based on latest forecast and economic growth for the region, the expected tonnage for 2020 and beyond is 90,000 tonnes.

#### 4.0 DISCUSSION - *TE MATAPAKITANGA*

- 4.1 The landfill needs to put in place the following forward contracts for an additional 20% for 2021 calendar year, 20% for 2022 and 60% for 2023.
- 4.2 Based on the expected tonnage of 90,000T the following table summarises the volume and estimated price this will cost the landfill.

Calendar Year	Surrender	Cover	Seller	Buyer	No of NZU's	Price/unit	Cost
2021	May 2022	20%	Westpac	HDC	21420	\$ 26.75	\$ 572,985
2022	May 2023	20%	Westpac	HDC	21420	\$ 27.65	\$ 592,263
2023	May 2024	60%	Westpac	HDC	64260	\$ 28.55	\$ 1,834,623
					<b>107100</b>		<b>\$ 2,999,871</b>

#### 5.0 OPTIONS - *NGĀ KŌWHIRINGA*

##### **Option One - Recommended Option - *Te Kōwhiringa Tuatahi – Te Kōwhiringa Tūtohunga***

- 5.1 To take out forward cover contracts as summarised in 4.2 at a total estimated cost to the landfill of \$2,999,871. This will provide certainty on price to allow the officers to set gate prices to give advanced warning to the community and commercial operators that utilise the landfill facilities.

##### **Option Two – Do Nothing - *Te Kōwhiringa Tuarua – Te Āhuatanga o nāiane***

- 5.2 Take no forward cover contracts for 2021, 2022, and 2023 calendar years and purchase on the spot market at time of settlement. This will cause uncertainty on price at time of setting the gate price and could create a situation where the landfill either under or over recovers the ETS charge at the gate.

#### 6.0 NEXT STEPS - *TE ANGA WHAKAMUA*

- 6.1 If the Landfill Committee approve option one, officers will engage Westpac to go to the market and secure the required NZU's for each of the calendar years. Once we have the contracts from Westpac, these will be presented to the Chief Executive for execution.

##### **Attachments:**

There are no attachments for this report.

## **SUMMARY OF CONSIDERATIONS - HE WHAKARĀPOPOTO WHAIWHAKAARO**

### **Fit with purpose of Local Government - *E noho hāngai pū ai ki te Rangatōpū-ā-rohe***

The Council is required to give effect to the purpose of local government as set out in section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf of) communities, and to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future

### **Link to the Council's Community Outcomes - *E noho hāngai pū ai ki te rautaki matua***

This proposal provides certainty in setting gate prices at the landfill which allows the transfer stations and commercial operators to set their prices for the community.

### **Māori Impact Statement - *Te Tauākī Kaupapa Māori***

No implications

### **Sustainability - *Te Toitūtanga***

This meets our legal obligation under the emission trading scheme to settle 1.19 NZU per tonne of waste that is taken to the landfill.

### **Financial considerations - *Ngā Whaiwhakaaro Ahumoni***

By locking in a fix price for purchase of NZU for a calendar year provides security in setting the gate price and that the users of the landfill are fully charged for the purchase of NZU to cover the landfill requirements under the ETS.

### **Significance and Engagement - *Te Hiranga me te Tūhonotanga***

This report has been assessed under the Council's Significance and Engagement Policy as being of minor significance.

### **Consultation – internal and/or external - *Whakawhiti Whakaaro-ā-roto, ā-waho***

Not applicable

### **Risks: Legal/ Health and Safety - *Ngā Tūraru: Ngā Ture / Hauora me te***

***Haumaru***

No Implications.

**Rural Community Board - *Ngā Poari-ā-hapori***

No implications.



**REPORT TO:** OMARUNUI REFUSE LANDFILL JOINT COMMITTEE

**MEETING DATE:** FRIDAY 20 SEPTEMBER 2019

**FROM:** WASTE AND DATA SERVICES MANAGER  
MARTIN JARVIS  
MANAGEMENT ACCOUNTANT  
JEFF TIEMAN

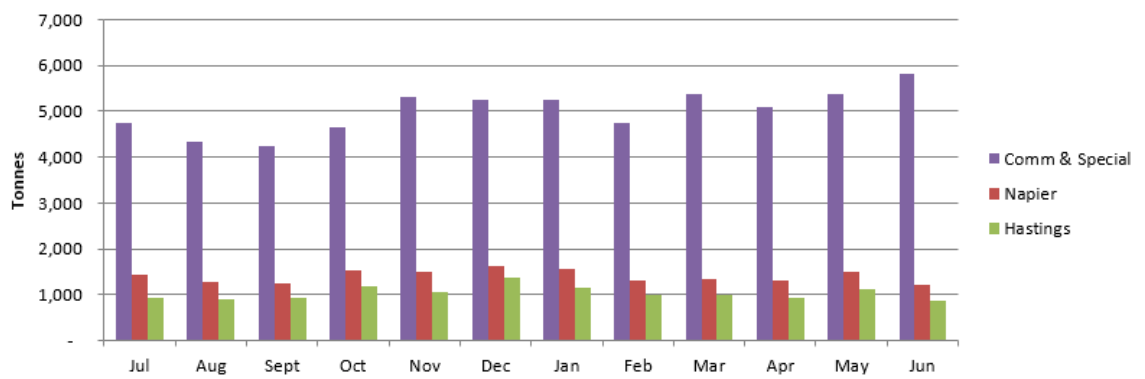
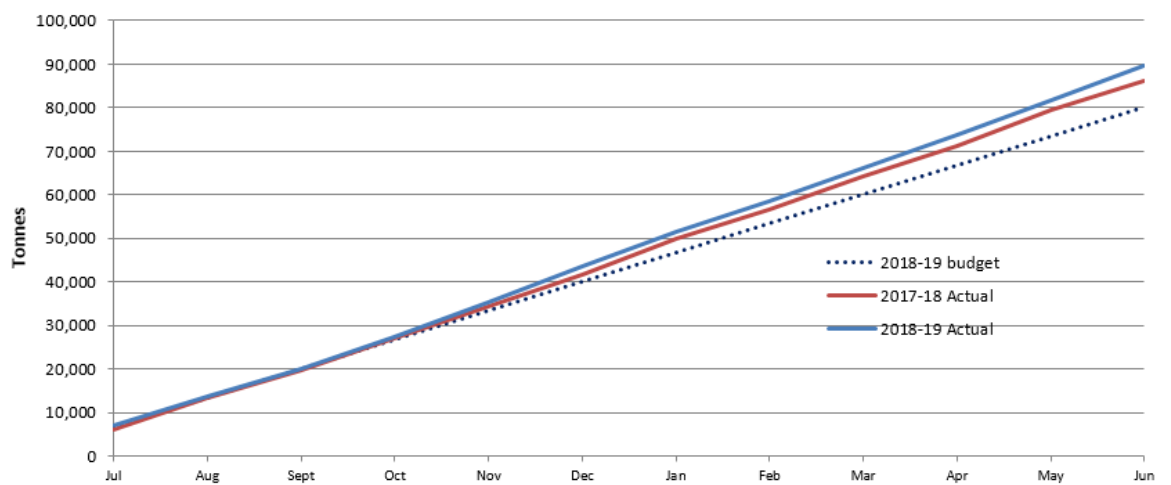
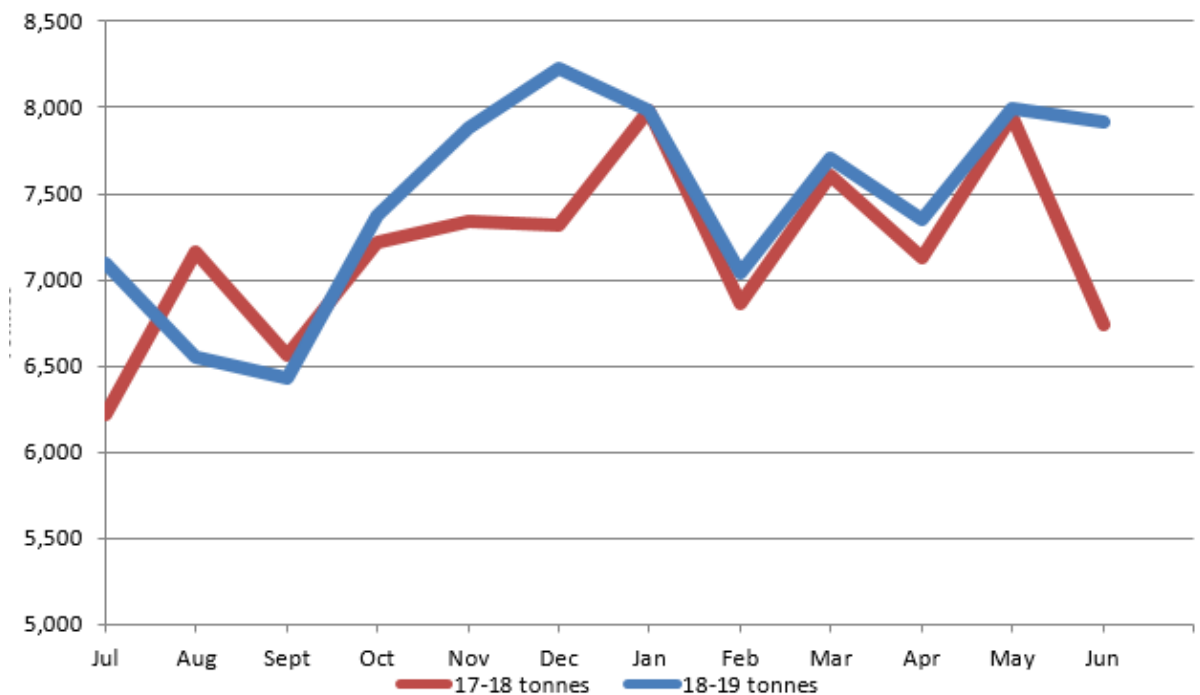
**SUBJECT:** OMARUNUI JOINT LANDFILL ANNUAL REPORT FOR THE YEAR ENDING 30 JUNE 2019

## 1.0 PURPOSE AND SUMMARY - TE KAUPAPA ME TE WHAKARĀPOPOTOTANGA

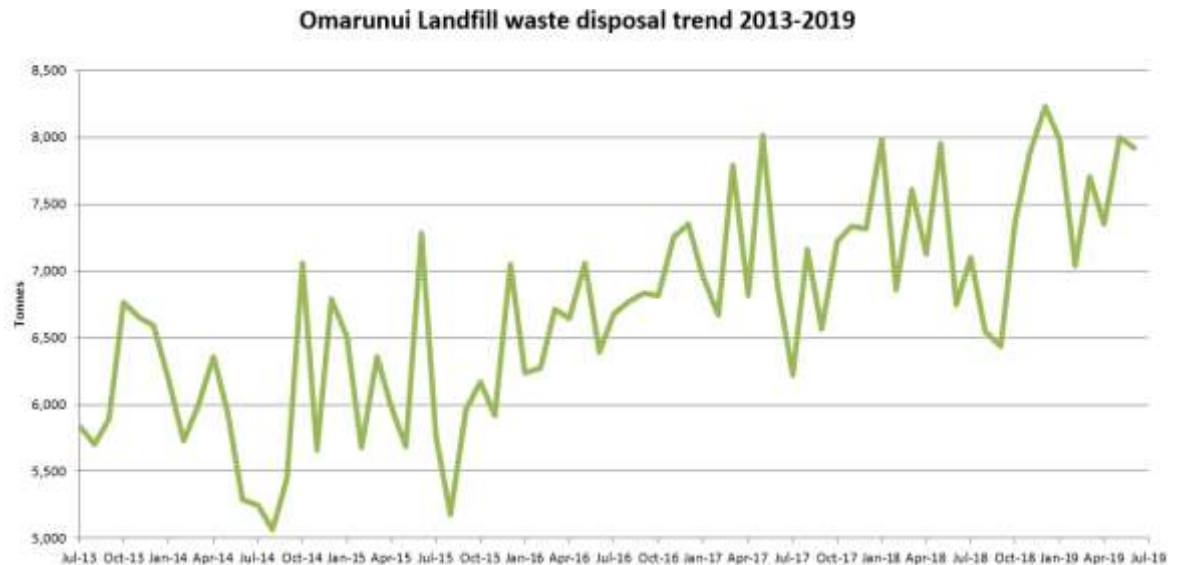
- 1.1 The purpose of this report is to update and inform the Committee on the physical performance aspects of the Omarunui Landfill for the 2018/2019 financial year and provide a commentary on other significant events and impacts.
- 2.0 Records of the various categories of waste disposed of at the landfill are recorded in the landfill's weighbridge software system. The estimated tonnages are compared to actual tonnages in the following user categories:

	2017/18 actual (tonnes)	2018/19 actual (tonnes)	2018/19 estimated (tonnes)
<b>Commercial</b>	46,778	45,665	45,000
<b>Special</b>	10,555	14,470	7,000
<b>HDC</b>	12,073	12,455	12,000
<b>NCC</b>	16,672	16,855	16,000
<b>Total</b>	86,078	89,445	80,000

- 2.1 The overall tonnage is 12% higher than estimate, with Napier City 5% above estimate, Hastings District 4% above estimate, commercial 1.5% above estimate and special 107% above estimate. The special waste was well above estimate due to the larger than expected volumes of asbestos, contaminated soil and food waste being received by the landfill.
- 2.2 Overall tonnages are 3.9% higher compared with last year's tonnages. Napier City has increased 1.1%, Hastings District a 3.2% increase, commercial a 2.4% decrease and special a 37.1% increase.
- 2.3 The category "Commercial" includes all waste brought directly into the landfill by private waste operators and excludes transfer station waste.

**Landfill actual tonnages by month****Omarunui Landfill - Waste Disposal Tonnages****Omarunui Landfill - Tonnages by Month**





- 2.4 The Landfill reported a surplus of \$2,489,594 for the financial year ended 30 June 2019. This is supported by the Omarunui Landfill Joint Committee Financial Statements for the year ended 30 June 2019 (attached as **Attachment 1**). The financial statements have been audited by Audit NZ, but formal communication of any findings have yet to be received. The surplus of \$2,489,594 was \$1,226,552 above budget and is summarised as follows:

2017/18 Actual	Financial Position	2018/19 Actual	2018/19 Budget	2018/19 Variance	% Variation
8,759,378	Total Revenue	9,364,287	7,963,200	1,401,087	17.6%
5,497,012	Total Expenditure	6,874,692	6,700,158	174,534	2.6%
3,262,366	Surplus before adjustments	2,489,594	1,263,042	1,226,552	97.1%

- 2.5 The actual compared to estimated expenditure\* in operations is as follows:

EXPENDITURE	Actual \$	Budgeted \$	Variance \$	Variation
Maintenance - Landfill	1,094,513	1,468,700	(374,187)	25.5%
Other refuse disposal	730,773	607,965	122,807	-20.2%
External plant hire	581,356	550,000	31,356	-5.7%
External plant hire escalations	32,372	40,000	(7,628)	19.1%
Leachate Treatment/Disposal	194,085	84,000	110,085	-131.1%
Kiosk Charges	60,644	91,830	(31,186)	34%
Ground & Surface Water Testing	29,135	42,080	(12,945)	30.7%
Gas to Energy	0	1,000	(1,000)	100%
Farm operations	2,063	3,683	(1,620)	44%
Rates	18,816	23,400	(4,584)	19.6%
Overheads - Administrative	22,434	23,000	(566)	2.5%
Depreciation	1,550,242	1,524,500	25,742	-1.7%
<b>Total</b>	<b>4,316,431</b>	<b>4,460,158</b>	<b>(143,727)</b>	<b>3.2%</b>

\*Excludes revaluation, waste levy and ETS

### **3.0 MAINTENANCE**

Less maintenance work was required during the year and as a result costs were 25% under budget. The landfill carries out planned maintenance work and unplanned work as required. Planned items include work on the drains, roads, stormwater ponds, fences, storage areas, compound and landfill cap. As a result the landfill is in very good shape.

### **4.0 REFUSE DISPOSAL**

Disposal costs are 20% above budget. This was due to the larger than anticipated volume of refuse received at the site. Additionally the amount of development work was less than planned and the opportunity to generate savings by integrating operational and development work in Area D were limited.

### **5.0 EXTERNAL PLANT HIRE**

There was a slight over spend on external plant hire due to the greater than expected volume of refuse received at the site. Additional external plant was also required while the landfill's compactor was being repaired and serviced.

### **6.0 LEACHATE TREATMENT**

Leachate treatment/disposal costs were over budget by \$110,085. This was due to the need to cart some leachate offsite for treatment and improvements to the leachate reticulation network including pumps.

### **7.0 GROUND & SURFACE WATER TESTING**

All ground and surface water testing was carried out as required by the resource consents for the site. The work is independently undertaken by Stantec (formerly MWH consultants). This account was under spent by \$12,495 as no additional (unscheduled) testing was required during the course of year.

### **8.0 REVENUE**

Total revenue was 17% more than estimated due to the increased volumes of waste received at the site. Revenue\* details are as follows:

REVENUE	Actual \$	Budgeted \$	Variance \$	Variation
Commercial Operations	4,490,306	3,670,000	820,306	22.4%
Hastings District	860,190	792,000	68,190	8.6%
Napier City	1,136,639	1,056,000	80,639	7.6%
Other Revenue (sale of gas)	31,938	36,000	(4062)	-11.3%
Rentals (Farm)	9,177	9,200	(23)	0.25%
Leachate & Tyre development	179,110	160,000	19,110	11.9%
<b>Total</b>	<b>6,707,360</b>	<b>5,723,200</b>	<b>984,160</b>	<b>17.2%</b>

\*Excludes waste levy, ETS and interest on funds

## 9.0 CURRENT DEVELOPMENT AND DEVELOPMENT EXPENDITURE

The development costs for the Omarunui Landfill for the 2018/2019 year were as follows:

Actual \$	Budget \$	Variance \$	Variation %
\$1,002,218	\$3,393,358	\$2,391,140	70%

Development costs incurred during the 2018/19 year principally related to the completion of construction work on a small section of liner installed in Stage 3C of Area D. Other development work included improvements to the leachate treatment system and the landfill gas capture network. Overall the development budget was well under spent as a result of rescheduling the liner construction work on the northern extension of Area D. This work will now start during the summer months of the 2019/20 year. Development funds not spent were carried forward to the current year.

## 10.0 FUTURE DEVELOPMENT WORK

It is expected that further work will be carried out on developing the gas capture system in the 2019/20 year. This work involves improving the efficiency of the capture system so that greater control of gas quality, pressure and quantity can be obtained. This will help the overall operation of the flare and gas to energy plant. Improvements to the leachate capture, treatment and disposal system are also planned. This will include the relining of the leachate pond and potentially the lining of the leachate pit on top of Area A.

There is no construction work planned for Area's B and C in the 2019/20 year. However, design, planning and consent related work has been ongoing. This work has centred on the development of Area B and is likely to be completed in the current year. Consent applications are likely to be lodged prior to Christmas 2019. Tonkin & Taylor and Stantec consultants have assisted landfill staff with this work. To ensure continuity of available landfill airspace Area B will need to be open for refuse disposal by 2024.

## **11.0 WASTE LEVY**

The waste levy continues to be collected at a rate of \$10 per tonne and passed on to the Ministry for the Environment. At this stage there has been no firm indication from the government that the \$10 per tonne rate will be increased, however there continues to be public debated about the application of the levy to a wider range of landfills and the levy rate itself.

## **12.0 EMISSIONS TRADING SCHEME (WASTE)**

The Emissions Trading Scheme (ETS) has an impact on the gross charge rate for all waste accepted by the landfill. The additional charge to cover ETS compliance has been applied in a similar way to the waste levy and GST. Accordingly the ETS charge is added to the base disposal rate as derived by the Full Cost Accounting Model and set by the Omarunui Joint Refuse Landfill Committee.

Over recent years the Government has implemented changes to the ETS that have had a significant impact on the landfill. These changes have resulted in greater compliance costs and the ETS charge has now been lifted from \$18 to \$29 per tonne as of the 2019/20 year. Further increases beyond the current level have been allowed for in future budgets.

The ETS is the subject of a separate report to the committee.

## **13.0 LEACHATE & TYRES**

The landfill has been collecting \$1 per tonne to generate a reserve to directly fund the development of a permanent irrigation system and any costs relating to emergency offsite disposal situations. The balance of the leachate reserve as at 30 June 2019 was \$443,498.

A tyre reserve was started in 2017/18 and this has a balance in the reserve as at 30 June 2019 was \$175,633. The reserve is to assist in the shredding and/or cartage of waste tyres to a government endorsed disposal site that would recycle the tyres or extract energy from the disposal process.

## **14.0 LANDFILL DISPOSAL COST**

The full disposal charge rate for general waste in the 2018/19 year was \$96 (ex GST) per tonne. This included the waste levy charge of \$10 and an ETS charge of \$18 per tonne. The full disposal charge rate for general waste in the current 2018/19 year is \$109 per tonne (ex GST). This includes the waste levy charge of \$10 and an ETS charge of \$29 per tonne. The Ministry for the Environment's "Full Cost Accounting Model" is used for calculating the base charge rate so that all costs associated with operating the site are recovered at the gate.

## 15.0 LANDFILL USERS MEETING

A landfill users meeting was held on 11 December 2018. Topics for discussion included charge rates, development work, general business and an update on the newly adopted Waste Management & Minimisation Plan.

## 16.0 OPENING HOURS

New employment legislation has resulted in a need to change the timing and frequency of rest and meal breaks for staff at the landfill. The area where this change has had the greatest impact is in the landfill kiosk. The sole kiosk operator is required to have an unpaid half hour break during which time they cannot work. Several options of dealing with this change were considered and a preferred option of closing the site between 12:30pm and 1:00pm is now being trialed.

This option has the benefit of allowing all staff (including those at the tip face) to have a break at the same time and therefore eliminate the need to roster staff on and off certain activities every working day. Additionally this option has a low financial impact on the operating budgets of the landfill.

To date the trial has been mostly successful with only one waste operator objecting to the change. It is planned to continue the trial in the interim so that the impact of any seasonal changes of waste volumes and composition can be assessed. The success or otherwise of the trial will be reported back to the Omarunui Refuse Landfill Joint Committee at the next meeting scheduled for 6<sup>th</sup> December 2019.

## 17.0 HEALTH & SAFETY

The Omarunui Landfill operates under the Hastings District Council's Health and Safety Policy. The Council's commitment under this policy is ***"to keep employees, volunteers, contractors and the community safe through living a strong safety culture"***.

Additional Health & Safety information, and matters relating to the performance of the landfill over the course of the 2018/19 year, are the subject of a separate report to this committee.

## 18.0 ISO 9001 – QUALITY ASSURANCE

The quality management certification of the landfill is part of the Hastings District Council Asset Management certification.

The Asset Management quality system was externally audited for certification on the 13<sup>th</sup> and 14<sup>th</sup> of February 2019 by Dan Hynson of Telarc SAI. The AS/NZS ISO 9001 Standard was re-certified and now has an expiry date of 20 March 2022.

## 19.0 RESOURCE CONSENT COMPLIANCE

The Omarunui Landfill was graded as “Fully Compliant” for all resource consents for the period 1<sup>st</sup> June 2018 to 31<sup>st</sup> May 2019.

The landfill’s objective is to comply with all consent requirements. Any non-compliance issues are reported to the Hawke’s Bay Regional Council (HBRC) as per consent instructions and dealt with accordingly if they arise.

## 20.0 COMPLAINTS

Landfill complaints traditionally concern odour, birds, speeding vehicles and litter blown from the site and off trucks. Only nine complaints were received during the 2018/19 year. One of the complaints was in relation to seagulls, three concerned odour and the remaining five concerned litter to properties and the road side. In response to the bird complaints, two additional “bird-bangers” have been purchased to scare birds away. The landfill has also carried out a limited and controlled poisoning programme to reduce the number of seagulls visiting the site. As a result of both these additional actions, the number of seagulls present at the site during operational hours has significantly reduced. Of the odour complaints, one related to drilling work in the refuse when installing new gas extraction wells, one to a smelly load being delivered to the site and the third concerned odour from a nearby farm and not the landfill. The five litter complaints were dealt with promptly and as weather (wind) conditions allowed.

All odour complaints are investigated by landfill staff and typically the cause is found to be a “smelly” load of waste entering the site or when existing waste is excavated during development work (i.e. installing gas wells). The new gas extraction wells that have been installed in Area D have created a negative pressure zone which has reduced the tendency for landfill gas to vent out into the open air. As not all odours in this rural location can be attributed to the landfill, wind direction information is monitored at the site so that the source of any odours can be more easily identified.

In terms of litter, the landfill policy is to pick up litter whenever required (without prompting) and from neighbouring properties following any strong winds. This proactive approach has worked well and results in fewer complaints from the direct neighbours of the landfill.

Maintenance work on the unsealed access road is continuous and includes watering, grading and the application of suitable metal. From time to time verbal complaints about the condition of the unsealed access road are received from licenced waste operators using the site. When a complaint is received the condition of the road is re-evaluated and maintenance work is carried out as required.

## 21.0 CONCLUDING COMMENTS

After a period of static tonnages, landfill waste has been on the increase from 2015 onwards. Since that time the amount of waste being deposited at the site has increased from 72,000 tonnes to 89,000 tonnes per annum. This represents an average increase of approximately 4,250 tonnes (or 6%) per year over that period. This increase is seen as a reflection of economic and population growth in Hawke's Bay over the last four to five years.

The landfill can be extremely proud of its "fully compliant" status with regards resource consent compliance and its continued efforts to operate efficiently and safely.


The next few years are going to be challenging ones for the landfill as major plant items are due for replacement (i.e. compactor and loader), a new plant management contract needs to be awarded, the completion of Area D development and new resource consents are required to permit landfilling to continue at the site (Area B). If or when new consents are granted, construction work will need to commence immediately to ensure that the landfill can remain operational and continue to receive waste.

Along with other Waste Management & Minimisation Plan (WMMP) initiatives, the impending changes to urban kerbside recycling and refuse and collection services will also have an impact on the landfill. As participation rates improve for recycling and more green waste is diverted away from the landfill for composting, the composition and quantity of waste is likely to change. The landfill will continue to monitor the situation and adapt its business and environmental approach to maximise its overall performance and benefit to the region.

## 2.0 RECOMMENDATIONS - *NGĀ TŪTOHUNGA*

- A) That the Committee receives the report titled Omarunui Joint Landfill Annual Report for the Year Ending 30 June 2019.**
- B) That the unaudited Omarunui Joint Landfill Financial Statements for the year ended 30 June 2019 and attached as Appendix 1 be received.**

### Attachments:

- 1  Council Governance - 2016-2020 Council, CG-14-111  
Committees & Standing Committees - Omarunui  
Landfill Financial Statements June 2019

**OMARUNUI LANDFILL JOINT COMMITTEE  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

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**OMARUNUI LANDFILL JOINT COMMITTEE  
STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE PERIOD ENDING 30 JUNE 2019**

2017/18 ACTUAL \$		NOTES	2018/19 ACTUAL \$	2018/19 BUDGET \$	2018/19 VARIANCE \$
<b>REVENUE</b>					
1,997,235	Local Authorities		1,996,829	1,848,000	148,829
4,291,027	Commercial Operations		4,490,306	3,670,000	820,306
474,451	Other		15,143	1,000	14,143
38,268	Sale of gas		16,795	35,000	(18,205)
14,177	Rentals (Farm)		9,177	9,200	(23)
136,581	Interest on funds		97,570	-	97,570
-	Leachate Development	(i)	89,555	80,000	9,555
86,078	Waste Tyre Processing	(i)	89,555	80,000	9,555
860,781	Waste Levy \$10/t	(ii)	895,550	800,000	95,550
860,781	ETS \$10/t & \$18/t	(iii)	1,663,808	1,440,000	223,808
8,759,378	<b>Total Revenue</b>		9,364,287	7,963,200	1,401,087
<b>EXPENDITURE</b>					
856,338	Maintenance - Landfill		1,094,513	1,468,700	(374,187)
568,291	Other refuse disposal		730,773	607,965	122,807
431,060	External plant hire		581,356	550,000	31,356
9,677	External plant hire escalations		32,372	40,000	(7,628)
113,980	Leachate Treatment/Disposal		194,085	84,000	110,085
32,449	Kiosk Charges		60,844	91,830	(31,186)
29,271	Ground & Surface Water Testing		29,135	42,080	(12,945)
(0)	Gas to Energy		-	1,000	(1,000)
184,149	Revaluation Decrement		-	-	-
2,188	Farm operations		2,083	3,683	(1,620)
15,224	Rates		18,816	23,400	(4,584)
22,893	Overheads - Administrative	(iv)	22,434	23,000	(566)
1,516,595	Depreciation		1,550,242	1,524,500	25,742
854,115	Waste Levy \$10/t	(ii)	894,453	800,000	94,453
860,781	ETS \$10/t & \$18/t	(iii)	1,663,808	1,440,000	223,808
5,497,012	<b>Total Expenditure</b>		6,874,692	6,700,158	174,534
Reverse: Landfill Forest					
3,262,366	<b>SURPLUS BEFORE ADJUSTMENTS</b>		2,489,594	1,263,042	1,226,552
88,165	Aftercare - Valley A		(20,923)		
(77,700)	Aftercare - Valley D		52,279		
(117,755)	Emissions Trading Scheme		14,175		
3,134,145	<b>SURPLUS</b>		2,472,414		
279,386	Transfer to/(from) reserves - Plant fund	1	282,457		
(1,013,805)	Transfer to/(from) reserves - Property fund	2	-		
113,137	Transfer to/(from) reserves - Aftercare costs	3	173,277		
(29,680)	Transfer to/(from) reserves - Leachate	4	96,424		
86,078	Transfer to/(from) reserves - Tyre	5	89,555		
120,000	Transfer to/(from) reserves - Forest Replant	6	(63,018)		
3,579,028	Surplus transferred to accumulated balance	9	1,893,719		
3,134,145	<b>SURPLUS</b>		2,472,414		

*The notes on pages 5 to 6 form part of and should be read in conjunction with these financial statements.*

**Reasons for the variance between actual and budget:**

- (i) A provision for leachate/tyre development of \$1/T*
- (ii) A waste Levy of \$10/T collected and paid back to the Ministry of Environment*
- (iii) ETS levy has been collected since January 2013. Current financial year is \$18/T, last year \$10/T*
- (iv) The overhead costs have been agreed with NCC at budget time*
- (v) The adjustment to the present value of the aftercare provision. This adjustment takes into account future cashflows, landfill fullness and all costs associated with landfill post closure*

OMARUNUI LANDFILL JOINT COMMITTEE  
STATEMENT OF FINANCIAL POSITION  
FOR THE PERIOD ENDING 30 JUNE 2019

2017/18 Total 100%		Note	2018/19 Total 100%	2018/19 HDC Share 63.68%	2018/19 NCC Share 36.32%
<b>INVESTMENTS</b>					
2,396,097	Plant Replacement Reserve	1	2,678,554	1,705,703	972,851
0	Property Reserve	2	0	0	0
2,186,595	Aftercare Reserve	3	2,359,872	1,502,766	857,105
347,074	Leachate Development Reserve	4	443,498	282,420	161,079
86,078	Tyre Reserve	5	175,633	111,843	63,790
120,000	Forest Replant Reserve	6	56,982	36,288	20,696
30,424	Forestry	8	93,442	59,504	33,938
<u>5,166,268</u>			<u>5,807,981</u>	<u>3,698,522</u>	<u>2,109,459</u>
<b>FIXED ASSETS</b>					
9,375,535	Landfill assets		8,827,509	5,621,358	3,206,151
<u>\$ 14,541,803</u>	<b>Total assets</b>		<u>\$ 14,635,491</u>	<u>\$ 9,319,880</u>	<u>\$ 5,315,610</u>
<b>PROVISIONS</b>					
818,516	Aftercare Provision		849,871	541,198	308,673
<u>818,515</u>			<u>849,871</u>	<u>541,198</u>	<u>308,673</u>
467,220	ETS Provision		453,045	288,499	164,546
<u>467,220</u>			<u>453,045</u>	<u>288,499</u>	<u>164,546</u>
<b>RATEPAYER EQUITY</b>					
8,120,224	Accumulated Balance	9	7,618,037	4,851,166	2,766,871
5,135,844	Reserves	10	5,714,539	3,639,018	2,075,521
<u>13,256,067</u>			<u>13,332,576</u>	<u>8,490,185</u>	<u>\$ 4,842,392</u>
<u>\$ 14,541,803</u>	<b>Total funds employed</b>		<u>\$ 14,635,491</u>	<u>\$ 9,319,881</u>	<u>\$ 5,315,611</u>

The notes on pages 5 to 6 form part of and should be read in conjunction with these financial statements

OMARUNUI LANDFILL JOINT COMMITTEE  
STATEMENT OF MOVEMENTS IN EQUITY  
FOR THE PERIOD ENDING 30 JUNE 2019

2017/18 Total	Note	2018/19 Total
15,179,577	Equity at the start of the period	13,256,066
(574,700)	Plus Revaluation Reserve	-
3,134,145	Net Surplus for the period	2,472,414
	Total Recognised Revenues and Expenses	
3,134,145	for the Period	2,472,414
<u>Distributions to Owners</u>		
(1,528,209)	Napier City Council	(870,193)
(2,654,746)	Hastings District Council	(1,525,712)
<u>\$ 13,256,066</u>	Equity at the end of the Period	<u>\$ 13,332,575</u>
<u>Components of Equity</u>		
8,120,224	Accumulated Balance	7,618,037
5,135,844	Reserves	5,714,539
<u>\$ 13,256,067</u>		<u>\$ 13,332,576</u>

**OMARUNUI LANDFILL JOINT COMMITTEE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE PERIOD ENDING 30 JUNE 2019**

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**Statement of Accounting Policies**

**Reporting Entity**

These are the financial statements of the Omarunui Landfill Joint Committee. The Joint Committee comprises members from the Hastings District Council which owns 63.68% of the Landfill and the Napier City Council which owns the remaining 36.32%.

The financial statements of the Omarunui Landfill Joint Committee have been prepared in accordance with the Local Government Act 2002 and the generally accepted accounting principles, as appropriate and relevant for the reporting of financial information in the public sector, recognised by Chartered Accountants Australia New Zealand (CAANZ).

**Measurement Base**

The measurement base adopted is that of historical cost.

**Inventories**

There were no inventories on hand at balance date. Spare part stocks are owned by the Hastings District Council and expensed when work is completed.

**Fixed assets**

Fixed assets are recorded at cost, less depreciation.

**Depreciation**

Depreciation is provided on straight line basis on all tangible fixed assets other than land, at rates calculated to allocate the assets' cost less residual value, over their estimated useful lives.

**Investments**

Investments, which include forestry assets are recorded at market value.

**Development costs (Valley A and Valley D development)**

Development costs are charged to expense as incurred, except where future benefits are expected, beyond any reasonable doubt, to exceed those costs. Where development costs are deferred they amortise over future periods on a basis related to expected future revenue.

**Goods and Services Tax**

All amounts shown are exclusive of Goods and Services Tax. GST which cannot be recovered on exempt items is expensed to the income account.

**Cost of capital**

A charge of 6% was made on the book value of the plant items operated out of the plant operating account. No cost of capital was made for any other assets.

**Overhead costs**

Overheads have been charged for labour, plant and corporate administration.

**Aftercare Costs**

The Provision for Valley A Aftercare costs was established in the financial year 2001/02. Valley A closed in 2006 and as of 01 July 2018 the on-going aftercare costs of this valley will be \$56,586 per annum for 17 years.

A Provision for Closure and Aftercare costs for Valley D was established in the financial year end 30 June 2008. It is assumed closure costs will be approximately \$1.3 million and on-going aftercare costs will be \$37,414 per annum for 30 years.

**Operating Surpluses**

No Operating Surpluses are held by the Landfill Committee for the purpose of future development. All surpluses are distributed to the sponsoring Councils, who, in turn use these funds for purposes related to Landfill and waste disposal operations within their individual accounting structures.

**Changes in Accounting Policies**

There have been no changes in accounting policies since the previous annual financial statements.



Notes to Financial Statements

2017/18 Total 100%		Note	2018/19 Total 100%	2018/19 HDC Share 63.68%	2018/19 NCC Share 36.32%
<b>PLANT REPLACEMENT RESERVE</b>					
2,116,711	Balance at beginning of year	1	2,396,097	1,525,835	870,262
227,526	Transfer to/from reserves		235,033	148,669	85,364
51,860	Interest		47,424	30,199	17,224
<u>\$ 2,396,097</u>	Balance at end of year		<u>\$ 2,678,554</u>	<u>1,705,703</u>	<u>972,851</u>
<b>PROPERTY RESERVE</b>					
1,013,803	Balance at beginning of year	2	0	0	0
29,870	Interest		-	-	-
(1,043,675)	Transfer to/from reserves - forestry		-	-	-
<u>\$ 0</u>	Balance at end of year		<u>\$ 0</u>	<u>0</u>	<u>0</u>
<b>AFTERCARE RESERVE</b>					
2,073,457	Balance at beginning of year	3	2,186,595	1,392,423	794,171
47,337	Interest		43,277	27,559	15,718
65,800	Transfer to/from reserves		130,000	82,784	47,216
<u>\$ 2,186,595</u>	Balance at end of year		<u>\$ 2,359,872</u>	<u>1,502,766</u>	<u>857,105</u>
<b>LEACHATE RESERVE</b>					
376,754	Balance at beginning of year	4	347,074	221,017	126,057
7,514	Interest		6,869	4,374	2,495
(37,194)	Transfer to/from reserves		89,555	57,029	32,526
<u>\$ 347,074</u>	Balance at end of year		<u>\$ 443,498</u>	<u>282,420</u>	<u>161,079</u>
<b>TYRE RESERVE</b>					
-	Balance at beginning of year	5	86,078	54,815	31,263.56
-	Interest		-	-	-
86,078	Transfer to/from reserves		89,555	57,029	32,526
<u>\$ 86,078</u>	Balance at end of year		<u>\$ 175,633</u>	<u>111,843</u>	<u>63,790</u>
<b>FOREST REPLANT RESERVE</b>					
-	Balance at beginning of year	6	120,000	76,416	43,584
-	Interest		-	-	-
120,000	Transfer to/from reserves		(63,018)	(40,130)	(22,888)
<u>\$ 120,000</u>	Balance at end of year		<u>\$ 56,982</u>	<u>36,286</u>	<u>20,696</u>
<b>REVALUATION RESERVE</b>					
574,700	Balance at beginning of year	7	-	-	-
(574,700)	Transfer to/from reserves		-	-	-
<u>\$ -</u>	Balance at end of year		<u>\$ -</u>	<u>-</u>	<u>-</u>
<b>FORESTRY</b>					
<u>\$ 30,424</u>	Accumulated costs to date	8	<u>\$ 93,442</u>	<u>59,504</u>	<u>33,938</u>
Costs comprised as follows:					
Consultants					
Insurance					
Management					

Rates				
\$	-	\$	-	
<b>ACCUMULATED BALANCE</b>		9		
9,024,151	Balance at beginning of year	8,120,224	5,170,958	2,949,265
3,579,028	Surplus for year	1,893,719	1,205,920	687,799
12,603,179		10,013,942	6,376,879	3,637,064
4,482,956	Distributions	2,395,905	1,525,712	870,193
<b>\$ 8,120,224</b>	<b>Balance at end of year</b>	<b>\$ 7,618,037</b>	<b>4,851,166</b>	<b>2,766,871</b>
<b>RESERVES</b>		10		
2,396,097	Plant Replacement Reserve (note 1)	2,678,554	1,705,703	972,851
0	Property Reserve (note 2)	0	0	0
2,186,595	Aftercare Reserve (note 3)	2,359,872	1,502,766	857,105
347,074	Leachate Reserve (note 4)	443,498	282,420	161,079
86,078	Tyre Reserve (note 5)	175,633	111,843	63,790
120,000	Forest Replant Reserve (note 6)	56,982	36,286	20,696
-	Revaluation Reserve (note 7)	-	-	-
<b>\$ 5,135,844</b>	<b>Total Reserves at end of year</b>	<b>\$ 5,714,539</b>	<b>3,639,018</b>	<b>2,076,521</b>



**OMARUNUI LANDFILL JOINT COMMITTEE  
STATEMENT OF CASHFLOWS  
FOR THE PERIOD ENDING 30 JUNE 2019**

2017/18 Total	Note	2018/19 Total
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>		
<u>Cash was received from:</u>		
4,803,745	Receipts from customers	4,522,244
1,997,235	Receipts from Local Authorities	1,996,829
136,581	Interest Received	97,570
0	Leachate Development	89,555
86,078	Waste Tyre Processing	89,555
860,781	ETS \$10/t & \$18/t	1,663,808
860,781	Waste levy \$10/t	895,550
14,177	Rent Received	9,177
<u>8,759,378</u>		<u>9,364,287</u>
<u>Cash was disbursed to:</u>		
3,791,862	Payments to Suppliers and Employees	5,324,451
<u>3,791,862</u>		<u>5,324,451</u>
<b>4,967,516</b>	<b>Net Cash Inflow from Operating Activities</b>	<b>4,039,836</b>
	<b>A</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<u>Cash was received from:</u>		
6,000	Sale of Fixed Assets	-
<u>Cash was applied to:</u>		
-	Valley A Development	
678,794	Valley D Development	728,308
196,465	Valley B/C Development	273,910
60,184	Purchase of Fixed Assets	-
	Forestry Development	63,018
279,380	(Increase)/Decrease in Plant Replacement Reserve	282,457
(1,013,805)	(Increase)/Decrease in Property Reserve	-
113,137	(Increase)/Decrease in Aftercare Reserve	173,277
86,078	(Increase)/Decrease in Tyre Reserve	89,555
120,000	(Increase)/Decrease in Forest Replant Reserve	(63,018)
(29,680)	(Increase)/Decrease in Leachate Reserve	96,424
<u>490,560</u>		<u>1,643,931</u>
<b>(484,560)</b>	<b>Net Cash (Outflow) from Investment Activities</b>	<b>(1,643,931)</b>
	<b>B</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<u>Distribution to Owners:</u>		
(1,628,209)	Napier City Council (36.32%)	(870,193)
(2,854,746)	Hastings District Council (63.68%)	(1,525,712)
<b>(4,482,956)</b>	<b>Net Cash(Outflow) from Financing Activities</b>	<b>(2,395,905)</b>
	<b>C</b>	
<b>CLOSING CASH RECONCILIATION</b>		
0	Net Increase/(Decrease) in Cash Held	0
	<b>A+B+C</b>	

<u>0 Add Opening Cash</u>	<u>0</u>
<u>0 Closing Cash Balance</u>	<u>0</u>

Item 6

Attachment 1

**Note 6 Fixed Assets**

**Computer & Office Eq**

	Opening Asset Costs	SA Additions	CAJ Disposal @ cost	RV/RW Revaluation	Closing Asset Cost	Opening Accumulated Depn	DE Depn	CAJ Disposal Accumulated Depn	Closing Accumulated Depn	Closing Written Down Value	Disposal (Gain)/Loss
103113	3,112.50	0.00	0.00	0.00	3,112.50	-3,112.50	0.00	0.00	-3,112.50	0.00	0.00
103504	5,119.21	0.00	0.00	0.00	5,119.21	-3,579.81	-1,023.87	0.00	-4,603.18	516.03	0.00
	8,231.71	0.00	0.00	0.00	8,231.71	-6,692.31	-1,023.87	0.00	-7,715.88	516.03	0.00

**Landfill**

102517	587,440.00	0.00	0.00	0.00	587,440.00	-0.01	0.00	0.00	-0.01	587,439.99	0.00
102518	130,000.00	0.00	0.00	0.00	130,000.00	-93,660.79	-3,190.56	0.00	-96,851.35	37,148.65	0.00
102519	254,200.00	0.00	0.00	0.00	254,200.00	-177,681.18	-6,052.52	0.00	-183,733.70	70,466.30	0.00
102520	34,000.00	0.00	0.00	0.00	34,000.00	-23,759.98	-809.58	0.00	-24,569.56	9,430.44	0.00
102521	8,365.00	0.00	0.00	0.00	8,365.00	-4,977.67	-199.20	0.00	-5,176.87	3,188.13	0.00
102522	78,000.00	0.00	0.00	0.00	78,000.00	-54,534.19	-1,857.15	0.00	-56,371.34	21,628.66	0.00
102523	94,300.00	0.00	0.00	0.00	94,300.00	-65,908.99	-2,245.30	0.00	-68,154.29	26,145.71	0.00
102524	26,200.00	0.00	0.00	0.00	26,200.00	-18,311.20	-623.79	0.00	-18,934.99	7,265.01	0.00
102525	24,880.00	0.00	0.00	0.00	24,880.00	-17,389.42	-592.37	0.00	-17,981.79	6,898.21	0.00
102526	10,000.00	0.00	0.00	0.00	10,000.00	-6,997.40	-238.09	0.00	-7,235.49	2,764.51	0.00
102527	154,131.00	0.00	0.00	0.00	154,131.00	-107,729.21	-3,669.87	0.00	-111,399.08	42,731.92	0.00
102528	8,832,776.66	0.00	0.00	0.00	8,832,776.66	-8,832,776.66	0.00	0.00	-8,832,776.66	0.00	0.00
102529	618,353.00	0.00	0.00	0.00	618,353.00	-618,353.00	0.00	0.00	-618,353.00	0.00	0.00
102530	19,623,407.92	728,307.73	0.00	0.00	20,351,715.65	-12,282,642.66	-1,309,014.40	0.00	-13,591,657.06	6,760,059.59	0.00
102531	82,601.00	0.00	0.00	0.00	82,601.00	-82,601.00	0.00	0.00	-82,601.00	0.00	0.00
102532	1,058,406.93	0.00	0.00	0.00	1,058,406.93	-1,058,406.93	0.00	0.00	-1,058,406.93	0.00	0.00
102533	84,305.00	0.00	0.00	0.00	84,305.00	0.00	0.00	0.00	0.00	84,305.00	0.00
102534	716,746.68	273,609.84	0.00	0.00	990,356.52	0.00	0.00	0.00	0.00	990,356.52	0.00
103165	17,850.00	0.00	0.00	0.00	17,850.00	-8,147.49	-892.51	0.00	-9,040.00	8,810.00	0.00
103166	20,318.20	0.00	0.00	0.00	20,318.20	-9,228.93	-1,015.89	0.00	-10,244.82	10,073.38	0.00
103167	4,441.99	0.00	0.00	0.00	4,441.99	-4,441.99	0.00	0.00	-4,441.99	0.00	0.00
	32,464,723.38	1,002,217.57	0.00	0.00	33,466,940.95	-23,487,528.70	-1,330,461.23	0.00	-24,787,929.93	8,689,011.02	0.00

**Vehicles Mach & Eq**

000160	50,879.51	0.00	0.00	0.00	50,879.51	-50,879.51	0.00	0.00	-50,879.51	0.00	0.00
000161	4,092.00	0.00	0.00	0.00	4,092.00	-1,736.70	-409.16	0.00	-2,147.86	1,944.14	0.00
000236	64,885.07	0.00	0.00	0.00	64,885.07	-40,244.54	-6,488.52	0.00	-46,733.06	18,152.01	0.00
000237	26,985.00	0.00	0.00	0.00	26,985.00	-10,798.85	-1,798.58	0.00	-12,597.43	14,387.17	0.00
000262	35,887.91	0.00	0.00	0.00	35,887.91	-9,233.97	-3,262.19	0.00	-12,496.16	23,391.75	0.00
000277	108,900.00	0.00	0.00	0.00	108,900.00	-100,891.89	-8,008.11	0.00	-108,900.00	0.00	0.00
000392	26,353.00	0.00	0.00	0.00	26,353.00	-26,353.00	0.00	0.00	-26,353.00	0.00	0.00
000399	6,409.00	0.00	0.00	0.00	6,409.00	-1,761.57	-640.89	0.00	-2,402.46	4,006.54	0.00

000311	Tsunami KT22.2 Submersible Pump	4,091.00	0.00	0.00	-1,124.49	-409.11	0.00	-1,533.60	2,557.40	0.00
000325	Yanmar Air Electric Start Trash Pump	4,221.00	0.00	0.00	-1,089.85	-422.10	0.00	-1,511.95	2,709.05	0.00
000329	Yanmar YCP 30STE Pump	3,828.00	0.00	0.00	-531.14	-382.78	0.00	-1,913.92	1,914.08	0.00
000377	Fugro Odour System P	10,490.66	0.00	0.00	-10,490.66	0.00	0.00	-10,490.66	0.00	0.00
000378	Fugro Odour System F	10,490.65	0.00	0.00	-10,490.65	0.00	0.00	-10,490.65	0.00	0.00
000386	Fugro Odour System Pump	17,084.83	0.00	0.00	-17,084.83	0.00	0.00	-17,084.83	0.00	0.00
000388	Pump, lowara Leachate	15,688.43	0.00	0.00	-15,688.43	0.00	0.00	-15,688.43	0.00	0.00
000389	Honda Twin Impeller Fire Fighter Pump	1,740.00	0.00	0.00	-1,740.00	0.00	0.00	-1,740.00	0.00	0.00
000392	Wingate Concrete Mix	500.00	0.00	0.00	-500.00	0.00	0.00	-500.00	0.00	0.00
000400	Tandem Trailer	5,000.00	0.00	0.00	-5,000.00	0.00	0.00	-5,000.00	0.00	0.00
000451	Trailer Spray System	10,250.00	0.00	0.00	-10,250.00	0.00	0.00	-10,250.00	0.00	0.00
000458	Cruiser 6x2m Trailer - Job Mate	1,499.00	0.00	0.00	-1,499.00	-97.47	0.00	-373.34	1,125.66	0.00
000572	Fieldmaster Mower	15,685.00	0.00	0.00	-9,899.77	-1,568.54	0.00	-11,468.31	4,216.69	0.00
000587	Trimax Striker 150 Mower	7,590.00	0.00	0.00	-7,590.00	0.00	0.00	-7,590.00	0.00	0.00
000620	Compressor	1,982.49	0.00	0.00	-1,982.49	0.00	0.00	-1,982.49	0.00	0.00
000678	Caterpillar 826H Compactor	1,529,952.11	0.00	0.00	-1,348,089.08	-180,863.03	0.00	-1,529,952.11	0.00	0.00
000727	Winstone Water Blast	1,800.00	0.00	0.00	-1,800.00	0.00	0.00	-1,800.00	0.00	0.00
000746	Clearing Saw	2,382.70	0.00	0.00	-2,382.70	0.00	0.00	-2,382.70	0.00	0.00
000806	Polaris Ranger EV	22,979.77	0.00	0.00	-2,002.08	-3,446.98	0.00	-5,449.06	17,530.71	0.00
000809	Polaris Ranger EV	22,979.77	0.00	0.00	-2,002.08	-3,446.98	0.00	-5,449.06	17,530.71	0.00
000810	Pegasus EF Welder & Rotary Scraper	5,234.70	0.00	0.00	-2,07.87	-418.80	0.00	-626.47	4,608.23	0.00
000811	Worldpoly 250mm Hydraulic Bait Wet	8,990.00	0.00	0.00	-179.30	-719.17	0.00	-898.47	8,091.53	0.00
000847	Husqvarna Chainsaw	400.00	0.00	0.00	-400.00	0.00	0.00	-400.00	0.00	0.00
000868	Honda EM2200 LRT For	1,607.87	0.00	0.00	-1,607.87	0.00	0.00	-1,607.87	0.00	0.00
103050	Telemetry, Leachate Pond	9,316.19	0.00	0.00	-9,316.19	0.00	0.00	-9,316.19	0.00	0.00
103162	Weightbridge Loadcells, 1x	2,163.09	0.00	0.00	-2,019.00	-144.09	0.00	-2,163.09	0.00	0.00
103827	Surveillance System	27,292.13	0.00	0.00	-9,650.10	-2,729.24	0.00	-12,379.34	14,912.79	0.00
103828	Flood lights	3,947.37	0.00	0.00	-3,947.37	0.00	0.00	-3,947.37	0.00	0.00
103880	Leachate Sprinklers, Piping & Valves	19,558.90	0.00	0.00	-5,607.88	-1,271.35	0.00	-6,879.18	12,679.72	0.00
103933	Lowara SSV13 2.2KW Pump	3,950.00	0.00	0.00	-1,646.10	-395.02	0.00	-2,041.12	1,908.88	0.00
103834	ABB Water Flow Transmitter	4,810.32	0.00	0.00	-4,009.06	-801.26	0.00	-4,810.32	0.00	0.00
103882	icom UHF Handheld Radios & Charger	6,826.00	0.00	0.00	-3,334.34	-853.26	0.00	-4,187.60	2,638.40	0.00
103895	Litter Fence (Netting & Materials)	4,794.80	0.00	0.00	-878.16	-239.72	0.00	-1,117.88	3,676.92	0.00
		2,113,518.27	0.00	0.00	-4,726,719.14	-218,816.75	0.00	-1,986,635.89	157,982.38	0.00

Total Landfill Assets at Year-end

34,596,473.36	1,062,217.57	0.00	0.00	35,588,490.93	-25,210,639.66	-1,550,241.85	0.00	-26,761,181.50	8,827,509.43	0.00
<b>Investments</b>										
104397	Forestry Block - 3 Ha	30424	0	0	30424	0	0	0	30424	0
104640	Forestry Block - 42 Ha	0	63017.71	0	63017.71	0	0	0	63017.71	0
	Total Investments at Year-end	38,424.00	63,017.71	0.00	93,441.71	0.00	0.00	0.00	93,441.71	0.00