
Friday, 25 September 2020

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Administered by Hastings District Council

Omarunui Refuse Landfill Joint Committee Meeting

Kaupapataka

Open Agenda

Te Rā Hui:
Meeting date: **Friday, 25 September 2020**

Te Wā:
Time: **1.00pm**

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

Te Hoapā:
Contact: **Democracy and Governance Services
P: 06 871 5000 | E: democracy@hdc.govt.nz**

Te Āpiha Matua:
Responsible
Officer: **Waste & Data Services Manager - Martin Jarvis**

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HASTINGS DISTRICT COUNCIL
207 Lyndon Road East, Hastings 4122 | Private Bag 9002, Hastings 4156
Phone **06 871 5000** | www.hastingsdc.govt.nz
TE KAUNIHERA Ā-ROHE O HERETAUNGA

OMARUNUI REFUSE LANDFILL JOINT COMMITTEE HEADS OF AGREEMENT – Terms of Reference

The Heads of Agreement for the Omarunui Refuse Landfill Joint Committee have been adopted by Council for the 2019-2022 Triennium and are incorporated into the Committee & Rural Community Board Register of Delegations.

1.	Parties	Hastings District Council and Napier City Council (the Councils)
2.	Nature of Relationship	A Joint Committee between the Councils who already own a property at Omarunui as tenants in common in the following shareholding percentages for refuse disposal purposes: Hastings District Council: 63.68% Napier City Council: 36.32%
3.	Objectives	To jointly develop and operate generally for the benefit of the Councils a refuse disposal facility (including any ancillary activities) in compliance with resource and regulatory consents.
4.	Participation of each Council	Each Council shall participate on the basis of the following shareholding percentage: Hastings District Council: 63.68% Napier City Council: 36.32% (subject to any specific provisions following)
5.	Joint Committee	
5.1	Omarunui Refuse Landfill Joint Committee (Joint Committee):	This Committee shall comprise four elected members of the Hastings District Council and two elected members of the Napier City Council or the alternates of those elected members and an alternate when acting in the place of an elected member shall be deemed to be an elected member. The functions of this Joint Committee shall be to determine policies to ensure the objectives are achieved and to monitor the implementation of those policies by obtaining reports from the Facility Manager or any other persons involved in the refuse disposal operation.
5.2	Administering Authority	The Hastings District Council shall be the Administering Authority. It shall provide technical, financial and secretarial services and shall be the employing authority for staff required in the administration and conduct of the refuse disposal operation. The Administering Authority shall make any information required by the Joint Committee available to that Committee.
6.	Joint Committee General Powers	<p>1.1 Subject to Clause 6.2 the general powers of the Joint Committee shall be:</p> <ul style="list-style-type: none"> a) Except as provided in Clause 6.3 all such powers as shall be necessary to develop and operate the refuse disposal facility in compliance with the resource and regulatory consents already obtained including, if necessary, the power to seek further resource and regulatory consents. b) To construct buildings, purchase and dispose of plant, equipment and materials. c) Arrange insurance cover to ensure that there is comprehensive insurance in respect of the establishment and operation of the refuse disposal facility. d) To indemnify any Council or Council representative acting on behalf of the Councils pursuant to this agreement in connection with the development or operation of the refuse disposal operation after the execution hereof. e) To fix and recover fees and charges payable by landfill users. f) The licensing of users. g) To recommend to the Councils the raising of loans. For the purpose of loan raising the 'Administering Authority' shall undertake all loan raising on behalf of the Councils. h) To enter into contracts within the estimates it being acknowledged by each of the Councils for the purposes of the Local Government Act 2002 that the Joint Committee shall be delegated power to enter into any contract limited to such an amount as may be fixed by the Councils from time to time unless the prior written approval of each Council shall have been obtained. i) To use any part of the Omarunui property not required for refuse disposal for any lawful purpose including leasing thereof. j) Such further specific powers as may be delegated to it as agreed by the Councils. <p>1.2 The Joint Committee shall operate within budgets approved by the Councils. In the event that over expenditure is anticipated or incurred the Joint Committee shall immediately report that fact to the Councils.</p> <p>1.3 The powers delegated to the Joint Committee shall not entitle that Committee to sell or otherwise dispose of on behalf of any Council any asset owned by that individual Council or to sell the Omarunui land or any other land administered by the Joint Committee for refuse disposal purposes.</p> <p>1.4 Subject to Clause 6.2 and 6.3 all decisions made by the Joint Committee pursuant to its delegated powers shall without confirmation of the Councils bind each of the Councils as if it had been done in the name of each Council.</p>
7.	Joint Committee Procedural Matters	<p>7.1 Each elected member or the alternate of such member shall have one vote.</p> <p>7.2 The elected members shall elect a Chair and Deputy Chair.</p>

	7.3	Quorum at meetings shall be four elected members including at least one elected member from each Council. The parties note that this conflicts with the provisions in clause 30 (9) (b) of schedule 7 of the Local Government Act 2002. To avoid any possible doubt the parties shall operate the committee based on the specific requirements in this agreement at all times.
	7.4	All meetings may be attended by officers of the Councils but officers shall not be entitled to vote.
	7.5	Meetings may be requisitioned by any two elected members who shall state the nature of the business and the Administering Authority shall convene a meeting (giving notice of the business) and Councils shall ensure that at least one of their elected members attends.
	7.6	Annual meetings shall be held within three months of the end of the financial year and the business of such meeting shall include the financial accounts for the previous year.
	7.7	Budget estimates for the following financial year shall be prepared and supplied to the Councils no later than 31 January in each year for their approval.
	7.8	Meeting procedures shall be in accordance with NZS 9202: 2003, or such other version of standing orders as mutually agreed between the parties, except to the extent that specific provision is contained herein and is not contrary to law.
8. Joint Committee Financial Provisions	8.1	The Joint Committee shall provide financial and management accounting records and reports which provide sufficient detail to enable the committee and the Councils to assess performance of each separate business activity within the Landfill.
	8.2	The administering authority shall circulate a draft budget prior to the meeting at which the Joint Committee is to consider the estimates for recommendation to the Councils.
	8.3	Surpluses and deficits shall be received and borne by the Councils in the following shareholding percentage: Hastings District Council: 63.68% Napier City Council: 36.32%
	8.4	All amounts payable by each Council shall be paid within one calendar month of notification of the amount payable. If any Council shall consistently fail to make payments as required by this clause the Joint Committee may impose a penalty on the defaulting Council which shall be met by such Council.
9. Duties of the Individual Councils	9.1	To comply with the resource and regulatory consents relating to the operation.
	9.2	The Councils shall make bylaws to ensure the efficient operation of the refuse disposal facility and set and adopt fees and charges and licensing procedures.
	9.3	To establish and operate transfer stations and to adopt charges in relation to such transfer stations.
10. Changes in Participation	1.1	The establishment and operating costs of the Councils up to the time of any Change in Participation shall be safeguarded as far as possible.
	1.2	The addition or withdrawal of any party shall require agreement of the Councils.
11. Staff Appointments	11.1	Where any Council is involved in the provision of staff or services, such Council shall be reimbursed for the cost of such persons or services.
	11.2	It is recognised that it will be desirable for the staff required to be employed by one of the Councils.
12. Facility Manager	12.1	The Facility Manager appointed by the Administering Authority shall be a suitably qualified person who shall report to the Joint Committee and attend its meetings and will be responsible for the day to day operations at the landfill site.
	12.2	During any further development the Facility Manager, as appointed by the Administering Authority, shall be considered to be the officer responsible for all development activities unless otherwise directed by the Joint Committee.
13. Secretarial Services	13.1	Secretarial and Accounting services shall be provided by the Administering Authority.
	13.2	The functions to be fulfilled shall include: a) Convening of meetings. b) Keeping of minutes. c) Preparation of estimates and accounts. d) Keeping the Joint Committee informed. e) The recovery of fees and charges. f) Such further specific powers as may be delegated by agreement of the Councils.
	13.3	All documents to be signed on behalf of the Joint Committee shall be signed by the Chair (or in his absence one elected member of that Committee) together with such other person authorised by the Administering Authority.
14. Commencement and Duration	14.1	This Joint Committee shall commence from the date of this agreement and shall continue thereafter until terminated by agreement of the Councils.
	14.2	On termination of this agreement the assets shall be applied, first, in the repayment of all debts, second, in the repayment of any capital contributions, advances or sums of money that may have been made or may be due to any of the Councils, third, the surplus, if any, shall be distributed between the Councils in the following shareholding percentage:

		Hastings District Council: 63.68% Napier City Council: 36.32%
	14.3	In the event of a short-fall on the termination of this agreement the Councils shall contribute in the following shareholding percentage: Hastings District Council: 63.68% Napier City Council: 36.32% To such short-fall, with any necessary adjustments being made to reflect any amounts due by or to any individual Council at termination.
15. Arbitration	15.1	In the event of any dispute relating to this agreement the same shall be referred to arbitration pursuant to the Arbitration Act 1996 and each Council who is a party to the dispute shall be entitled to appoint an Arbitrator.
	15.2	The Arbitrators before embarking on the Arbitration shall appoint an umpire whose decision shall be final in the event that the Arbitrators are unable to agree.

Friday, 25 September 2020

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council

Omarunui Refuse Landfill Joint Committee Meeting

Kaupapataka

Open Agenda

Heamana

Chair: Councillor Ann Redstone (HDC)

Nga mema o te Komiti

Committee Members:

Councillors Damon Harvey, Simon Nixon and Sophie Siers (HDC)

Councillors Richard McGrath and Api Tapine (Deputy Chair) (NCC)

HDC Alternate: Councillor Eileen Lawson

NCC Alternate: Deputy Mayor Annette Brosnan

Tokamatua:

Quorum:

4 - including at least one elected member from each Council

Apiha Matua

Officer Responsible:

Waste and Data Services Manager - Martin Jarvis

Te Rōpū Manapori me te

Kāwanatanga

Democracy &

Governance Services

Christine Hilton (Ext 5633)

Te Rārangī Take

Order of Business

Apologies & Leave of Absence – *Ngā Whakapāhatanga me te Wehenga ā-Hui*

- 1.0** 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.
-

2.0 Conflict of Interest – *He Ngākau Kōnatunatu*

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 Manager: Democracy and Governance (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.

Confirmation of Minutes – *Te Whakamana i Ngā Minitī*

- 3.0** Minutes of the Omarunui Refuse Landfill Joint Committee Meeting held Friday 19 June 2020.
(Previously circulated)
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4.0	Health and Safety Report	9
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5.0	Proposed Education Building	19
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6.0	Omarunui Joint Landfill Annual Report for the Year Ending 30 June 2020	25
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7.0	Annual Review of Hedging Strategy for Landfill Carbon Emissions	51
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8.0	Discussion Document regarding the possible introduction of material-specific pricing at Omarunui Landfill	61
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9.0	Minor Items – <i>Ngā Take Iti</i>
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10.0	Urgent Items – <i>Ngā Take Whakahihir</i>
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Friday, 25 September 2020

Item 4

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

**Hastings District Council: Omarunui Refuse
Landfill Joint Committee Meeting**

Te Rārangi Take

Report to Omarunui Refuse Landfill Joint Committee

Nā:
From: Nikola Bass, Health & Safety Partner

Te Take:
Subject: Health and Safety Report

1.0 Executive Summary – *Te Kaupapa Me Te Whakarāpopototanga*

- 1.1 The purpose of this report is to inform and update the Joint Committee about Health and Safety at Omarunui Refuse Landfill.
- 1.2 The Health and Safety at Work Act 2015 (HSWA) requires HSWA Officers (Elected members and Chief Executives) to exercise due diligence by taking reasonable steps to understand the organisation's operations and Health and Safety risks, and to ensure that they are managed so that Councils meet their legal obligations.
- 1.3 Whilst Hastings District Council HSWA Officers are provided with regular 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 the attached report (Attachment 1) provides information to enable all Joint Committee Members to undertake due diligence, by providing leading and lagging statistical information in relation to Health and Safety for the period 1 January 2020 to 30 June 2020.

2.0 Recommendations – *Ngā Tūtohunga*

- A) That the Omarunui Refuse Landfill Joint Committee receives the report titled Health and Safety Report.

Attachments:

- 1 [↓](#) Human Resources (NO PERSONAL INFORMATION) - HR-03-01-20-342
Health and Safety - General - Health and Safety
Report to Omarunui Refuse Landfill Joint
Committee - 01 January 2020 - 30 June 2020

Omarunui Refuse Joint Landfill Committee Health and Safety Report 2019/2020 01 January – 30 June 2020

This report contains information that was reported during the period 1 January 2020 to 30 June 2020 and is current as at 1 September 2020.

PAGE 1

GLOSSARY OF TERMS

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.

Lagging Indicators

- **Near Misses** - Close call events - i.e. no injury or property damage sustained.
- **Property Damages** – reported damage to HDC property/plant/equipment.
- **Non Injury Incident** - incident which can't be classified as injury or property damage e.g. chemical spill, fire, or conflict situation with member of the public.
- **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 leading and lagging indicators in relation to health and safety practices at the Omarunui Landfill for the period 1 January 2020 to 30 June 2020. The data is presented alongside previous periods for comparison. Please note that Quarter Three results were presented previously and are now combined as the Quarter Three and Four summary.

Leading Indicators (Proactive Measures)

For the six months to 30 June 2020, leading indicators have reduced as a result of the COVID-19 pandemic. 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 of equipment. These interactions are designed to reinforce positive behaviours and help to prevent incidents from occurring. The B2.2 graph (page 5) shows who have been observed, with the contracting company MW Lissette's having had the majority of observations recorded. Training during Quarter Three is traditionally lower due to Christmas / New Year provider closures and Quarter Four are lower as courses were cancelled in response to COVID-19.

Lagging Indicators (Reactive Measures)

For the last two quarters of 2019/20 the lagging indicators have reduced compared with previous periods, due to the impact of COVID-19 activities. The team have been actively ensuring more reporting around incidents caused by customers to understand where it is occurring onsite and if there are any patterns of behaviour. There have been a number of customer property damage instances where loads have been lost on the weighbridge and the team continue to work with the customers involved.

An analysis of incidents during the twelve month period to 30 June 2020, shows that vehicles, plant and mobile equipment, hazardous substances, ignition sources, surface conditions and utilities were the main hazard/risk classifications during the period.

Table C1.3 on page 7 summarises the significant incidents which occurred during Quarters Three and Four. The significant events in this period occurred in areas identified as high risk

and related to plant and mobile equipment and utilities. A WorkSafe notifiable event occurred when a contractor's employee struck a powerline with their excavator boom. The incident was investigated and a change was made to the roading network to improve access and close approach indicators installed. WorkSafe were notified and no further action will be taken.

Other Activities







The Omarunui Pest Management Program will be in operation during the winter period. Notifications of this activity will be advised as per the approved procedure and consent requirements.

Item 4

Attachment 1

B. LEADING INDICATORS

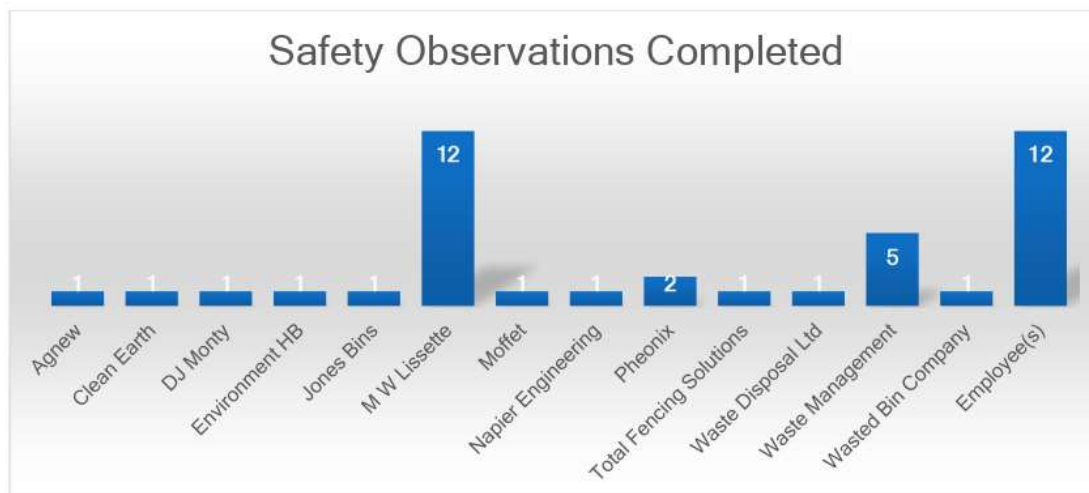
B1. Indicator Measures

Leading Indicator	FY19/20 Q3 & Q4	FY19/20 Q1 & Q2	FY18/19 Q3 & Q4	FY18/19 Q1 & Q2	Trend
Hazards reported	1	4	4	0	
Toolbox Health and Safety Briefings held	144	139	66	142	
Health and Safety Risk Assessments undertaken	547	947	658	603	
Health and Safety Observations completed	8	30	18	0	
Number of staff attending Health and Safety training	3	35	10	15	
Health and Safety Recognition	0	0	0	0	

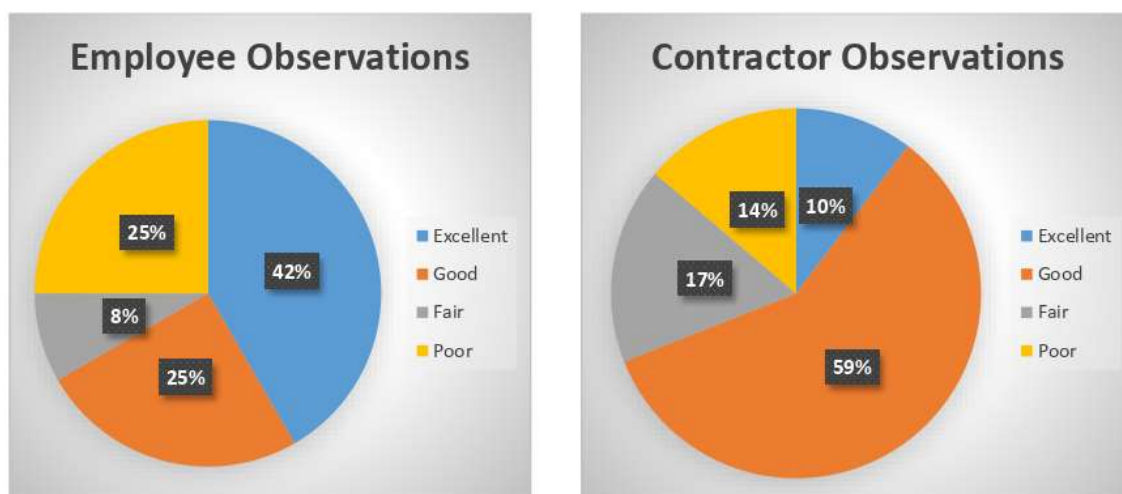
Key:  Positive Movement / No Change  <20 % Negative Movement  >20% Negative Movement

B2. Hazard Analysis

B2.1 Safety Observations Completed – (FY2019-20 Quarters 1-4)



B2.2 Safety Observations Outcomes – (FY2019-20 Quarters 1-4)



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	FY19/20 Q3 & Q4	FY19/20 Q1 & Q2	FY18/19 Q3 & Q4	FY18/19 Q1 & Q2
Near Miss	5	10	5	2
Property Damage	7	11	21	5
Non Injury Incident	2	0	0	0
Injuries	4	2	1	1
• First Aid Treatment	3	1	0	0
• Medical Treatment	0	0	0	1
• Lost Time	1	1	1	0
WorkSafe Notifiable Events	0	0	0	1

C1.2 Contractor Incidents

	FY19/20 Q3 & Q4	FY19/20 Q1 & Q2	FY18/19 Q3 & Q4	FY18/19 Q1 & Q2
Near Miss	2	1	0	1
Property Damage	2	9	6	1
Injuries	2	0	1	3
• First Aid Treatment	2	0	0	1
• Medical Treatment	1	0	0	0
• Lost Time	0	0	1	2
WorkSafe Notifiable Events	1	1	0	0

C1.3 Public Incidents

	FY19/20 Q3 & Q4	FY19/20 Q1 & Q2	FY18/19 Q3 & Q4	FY18/19 Q1 & Q2
Near Miss	0	1	0	0
Property Damage	4	9	7	0
Injuries	0	0	0	0
• First Aid Treatment	0	0	0	0
• Medical Treatment	0	0	0	0
WorkSafe Notifiable Events	0	0	0	0

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Item 4

Attachment 1

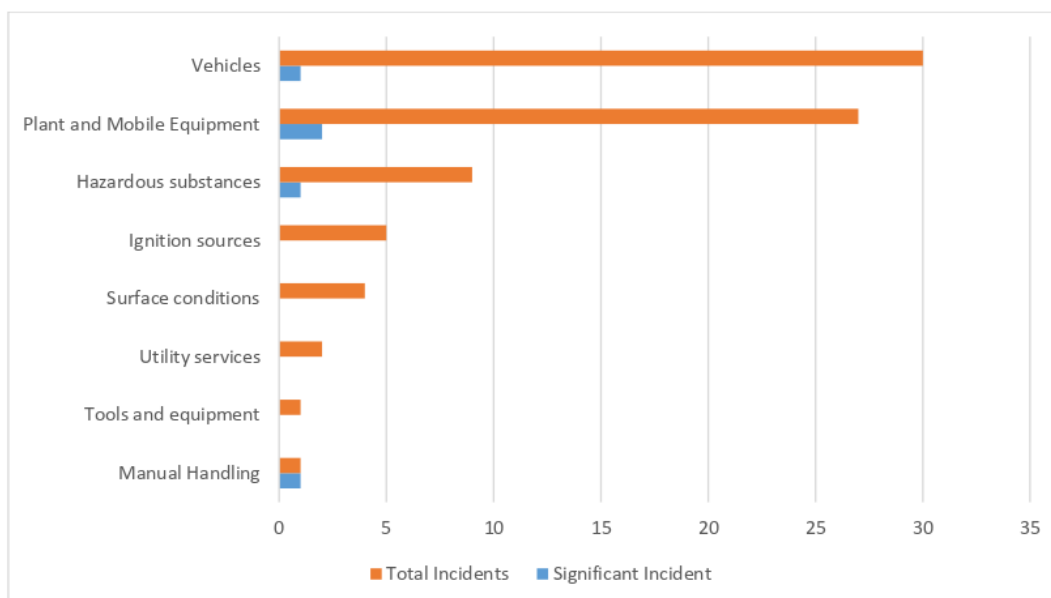
C1.3 Significant Incident Summary

'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
Feb 2020	Employee	Lost Time Injury	An employee injured their shoulder whilst climbing out of the compactor. The employee received medical treatment and had time off work to recover. This incident has been investigated and corrective actions implemented. <i>(Previously reported)</i>
Jun 2020	Contractor	Work Safe Notifiable Property Damage	When MW Lissette excavator was driving on a service road the excavators arm came into contact with an overhead powerline resulting in a power outage in the Fernhill and Taihape road area. The incident was investigated and a change was made to the processes around close approach work undertaken in road corridors. WorkSafe were notified and no further action will be taken.
Jun 2020	Contractor	Medical Treatment	High tensile fencing wire sprung up during installation and stabbed contractor under the chin. The Contractor received medical treatment for the injury. The contractor has investigated the incident.

C2. Incident Analysis

C2.1 Incidents by Hazard/Risk Classification (FY2019-20 Quarter 1-4)



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

Friday, 25 September 2020

Item 5

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
**Hastings District Council: Omarunui Refuse
Landfill Joint Committee Meeting**

Te Rārangi Take

Report to Omarunui Refuse Landfill Joint Committee

Nā:
From: Sam Gibbons, Senior Waste Minimisation Officer

Te Take:
Subject: Proposed Education Building

1.0 Executive Summary – Te Kaupapa Me Te Whakarāpopototanga

- 1.1 The purpose of this report is to inform the committee of an opportunity to use recovered building materials from Henderson Road Refuse Transfer Station and Omarunui Landfill to build a Sustainable Education Centre out at Omarunui Landfill. Providing the chance to improve our landfill tours, increase the engagement of our community and their understanding of what happens to our waste and through this empower them to reduce their waste.
- 1.2 This report seeks support from the committee to allocate up to \$2000 from existing landfill budgets to scope the work and estimate the cost of building an Education Building. This will take into account the materials available and how these can be incorporated into a basic design to provide a cost to build the centre.

2.0 Recommendations – Ngā Tūtohunga

- A) That the Omarunui Refuse Landfill Joint Committee receives the report titled Proposed Education Building.
- B) That the Committee support further investigation by the Waste Team and Landfill into the building of an Education Centre and approve the allocation of up to \$2000 from existing landfill budgets to develop a more detailed scope of work and cost estimates for the project.

3.0 Background – Te Horopaki

- 3.1 The Joint Waste Management and Minimisation Plan for 2018-2024 focuses on our need as a community to divert more materials from landfill and provide education on why this is important and how we can all play our part in making landfill our last choice.
- 3.2 Both Hastings District Council and Napier City Council waste minimisation teams currently provide educational tours for schools, businesses, and the public to the landfill. The construction of an education centre at the landfill would enable an increase in the number of tours and provide a designated educational and meeting space where a more in depth understanding of the community's waste can be gained, and it would also provide the option to run them all year round.
- 3.3 An opportunity has arisen to use recovered building materials that have been brought into Henderson Road Refuse Transfer Station and Omarunui Landfill that would have otherwise been disposed of in the landfill and taken up valuable space. As the recovered material will deteriorate with time it would be preferable to use what has been collected to date either this year or next financial year at the latest.
- 3.4 With the landfill levy increasing over the next few years our community is going to be paying more and more for its waste. By providing improved education on what happens to our waste and how it can be reduced at school, at home, at work and out in the community we can help reduce what goes to landfill. Saving money for our community and extending the life of its landfill.

4.0 Discussion – Te Matapakitanga

- 4.1 One of the actions to come out of the Joint WMMP looks at improving education provided to our community:

7. A EDUCATION Empower residents, service users and communities to prioritise (and increase) efforts regarding waste reduction, resource recovery and work towards zero waste via a consistent education programme across Napier City and Hastings District. Expand further across Hawke's Bay where practicable.
- 4.2 The most impactful thing you can do is to take someone to the landfill to be confronted with their waste and the waste of the community. To see it be pushed into the ground and face the grim reality that we are filling the earth with it. Although many people feel reassured to see that the landfill is well managed, it is clear that this is not the ideal solution for our growing waste problem. People who have been on tours have spoken of how eye opening the experience was to see just how much waste we produce.
- 4.3 As impactful as a tour is, we are failing to capitalise on these new found emotions to take action and make a change. Conversations during the tour focus mainly on the workings of the landfill with brief chats here and there on what you can do to reduce waste. With the variable weather conditions and high winds that can occur it is not a place to engage in the next part of the discussion. The outdoor environment means not everyone can hear clearly and group sizes need to remain smaller to account for this. There is also no way to display information for everyone to see, to help highlight points that are made during the tour. There is a lot of information given during the talk that can be quite hard to visualise and could be better explained with the aid of videos and example models and materials.
- 4.4 Building an education centre would help tackle all of these issues and provide opportunities to increase education beyond the current tour format. Screens could show live camera streaming of the tip face, as from the view point the tip face is often hidden depending on work being carried out at the time and it is the one area that often people most want to see. Interactive displays could explain different aspects of the landfill and what happens to it over time, as well as materials that are used during construction to ensure the effects of the landfill on ground water and the environment are mitigated. Within the education centre as part of the tour we can host a short

session on next steps individuals and communities can take to reduce their impact. This would help everyone to truly get the most out of each visit.

- 4.5 Schools are busy places, so taking time to get a class out to landfill can be challenging, being able to combine a tour with a lesson carried out in our interactive teaching space would make the trip much more worthwhile and the cost to run a bus much better value. There are many different topics schools could tap into from the environmental impact, to looking at the science behind the landfill monitoring and its effects, to the engineering and construction aspects and the general long term site management. Expanding to these different topics would also provide an opportunity to extend our service to secondary and tertiary education, which are currently not catered for with the current tour model.
- 4.6 The education centre would be used for events and educational workshops through the waste minimisation team initiatives, as well as through our partners such as the Environment Centre, Enviroschools and Para Kore. It could provide a space for a variety of EIT programmes that fit with the learning opportunities available at landfill.
- 4.7 A key consideration is that the existing materials that have already been recovered will potentially degrade if we do not start to use them in the near future. Currently the landfill has approximately 500 tonnes of materials that could possibly be diverted with multiple benefits. All materials will be checked and certified to make sure they are safe and meet design standards. These materials have the potential to reduce the building costs by around \$60,000 to \$100,000.
- 4.8 Omarunui Landfill has already used recovered materials that have been cleaned and certified to upgrade the kitchen, toilets / shower room and create a changing room for landfill staff.



Workshop before



New Smoko room under construction and finished

- 4.9 Additionally the design and build of the building will incorporate (as much as possible) aspects that make this education centre a sustainable and carbon neutral building to show council's commitment to progressive procurement practices where the environmental impact of a construction is considered.
- 4.10 Examples of things that may be incorporated would be: solar power, composting toilets, double glazing, insulation and the use of locally sourced materials. This may have a slightly higher initial cost but savings from power could help offset operational costs over the life of the building.
- 4.11 It is proposed that we would build this at Area B which we are due to move into in 4-5 years and would be actively filling for the following 30-40 years.
- 4.12 Both the Hastings District and Napier City Council Waste Teams fully support the proposal to build an education space at landfill and can see the number of benefits that this would bring to the community and our partners the Environment Centre, Enviroschools and Para Kore. The waste teams would work together to plan, design and implement the project and work towards ticking off another task that was set in the WMMP.

5.0 Options – Ngā Kōwhiringa

Option One

- 5.1 Support in principle the building of an education centre at landfill and further investigation by the Waste Team. This would include funding a builder xx amount to price up an estimated cost of the build taking into account the recovered materials available on site.

Advantages

- Alignment with the WMMP
- Provide an education space designed to engage with our community
- Provide a facility to undertake tours year round
- Potential to extend the life of the landfill through better education
- Would be a great place to showcase Councils commitment to environmental sustainability
- Council adhering to sustainable building guidelines and leading the way in how we expect the community to reuse materials
- Could potentially be a Carbon Neutral project/building

Disadvantages

- Cost, as an unbudgeted project for this financial year

Option Two - Status Quo - Te Kōwhiringa Tuarua – Te Āhuatanga o nāiane

- 5.2 Do not proceed with further investigation into the building of a Sustainable Education Centre.

Advantages

- No need to create a budget for this work i.e. no additional costs to the landfill

Disadvantages

- Not maximising the impact and effectiveness of landfill tours or investing in the future education of the community
- Lost opportunity to showcase Councils commitment to environmental sustainability
- Not making use of materials that could be reused. This would result in materials collected to date being permanently landfilled.

6.0 Next steps – Te Anga Whakamua

- 6.1 Should the committee approve in principal the construction of an education centre, both Council waste teams will finalise the sustainable features to be included the building design, arrange an estimate for the work with the materials available.
- 6.2 This initiative will also be shared at the next Joint Waste Futures Project Steering Committee, meeting date to be confirmed.
- 6.3 Present a further report on the matter at the Landfill Committee meeting scheduled for 4th December with an estimated building cost and funding proposal.
- 6.4 Should the Landfill Committee approve of the project at the 4th December meeting, and depending on the chosen funding mechanism, it is most likely that ratification would need to be obtained from the parent Councils to progress the project.

Attachments:

There are no attachments for this report.

Summary of Considerations - *He Whakarāpopoto Whakaarohanga*

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 wellbeing of communities in the present and for the future.

Link to the Council's Community Outcomes – *Ngā Hononga ki Ngā Putanga ā-Hapori*

This proposal promotes the local public services wellbeing of communities in the present and for the future supporting a community which wastes less.

Māori Impact Statement - *Te Tauākī Kaupapa Māori*

This project provides an opportunity to work with the Ngāti Pārau Hapū Trust and incorporate their history into the development.

Sustainability - *Te Toitūtanga*

The proposed education building would ideally be as sustainable as possible. The building would incorporate the reuse of materials that would've otherwise been buried in landfill. With the remaining materials sourced locally and the addition of sustainable features such as solar power, compostable toilets and good insulation. It would be great to work out the carbon impact of this building, how we can offset it and showcase this building as carbon neutral project.

Financial considerations - *Ngā Whakaarohanga Ahumoni*

The funding of the project would be investigated further by the Councils Waste Teams.

The opportunity to obtain funding from the parent councils waste levy reserves and landfill associated businesses (e.g. LMS Energy) could also be explored in order to reduce full landfill funding. By programming the work for the 2021/22 year there is an opportunity to find additional funders for the project.

Significance and Engagement - *Te Hiranga me te Tūhonotanga*

This decision/report has been assessed under the Council's Significance and Engagement Policy as being not of significance.

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

No consultation required.

Risks

Opportunity: To build a Sustainable Education Centre at landfill.

REWARD – <i>Te Utu</i>	RISK – <i>Te Tūraru</i>
<ul style="list-style-type: none"> • Lead the way with sustainable procurement/building • Increased engagement and better community understanding of what happens to our waste • Reduction in waste by visitors to the tour • Overall reduction in waste to landfill 	<ul style="list-style-type: none"> • We don't get building consent • Area B resource consent is not granted, therefore reduce the need for an education centre at this site. • Recovered materials will need to be permanently landfilled.

Rural Community Board – *Te Poari Tuawhenua-ā-Hapori*

No impact

Friday, 25 September 2020

Item 6

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

**Hastings District Council: Omarunui Refuse
Landfill Joint Committee Meeting**

Te Rārangi Take

Report to Omarunui Refuse Landfill Joint Committee

Nā:
From: **Martin Jarvis, Waste and Data Services Manager**

Te Take: **Omarunui Joint Landfill Annual Report for the Year Ending 30 June**
Subject: **2020**

1.0 Executive 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 2019/2020 financial year and provide a commentary on other significant events and impacts.

2.0 Recommendations – *Ngā Tūtohunga*

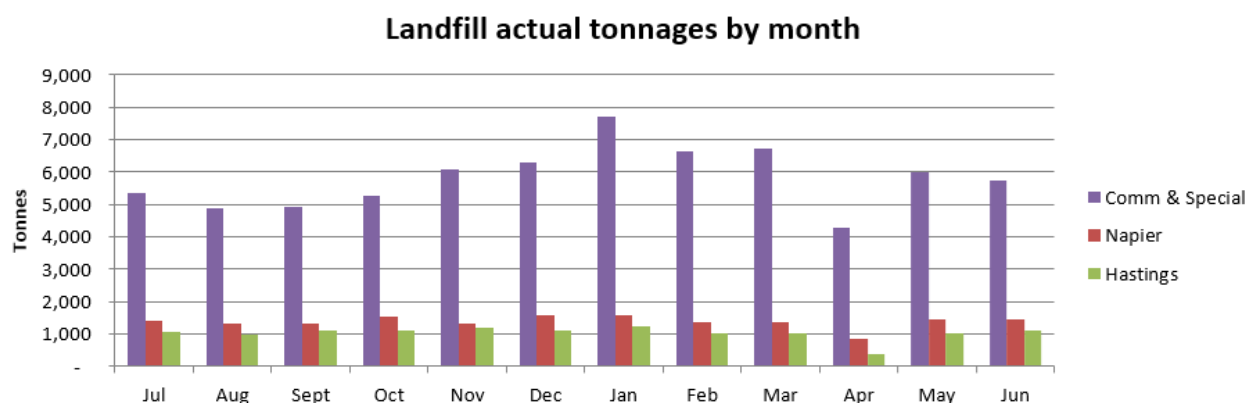
- A) That the Omarunui Refuse Landfill Joint Committee receives the report titled Omarunui Joint Landfill Annual Report for the Year Ending 30 June 2020.
- B) That the Committee receives the unaudited Omarunui Joint Landfill Financial Statement for the year ended 30 June 2020 and attached as Appendix 1.

3.0 Tonnages and Finance

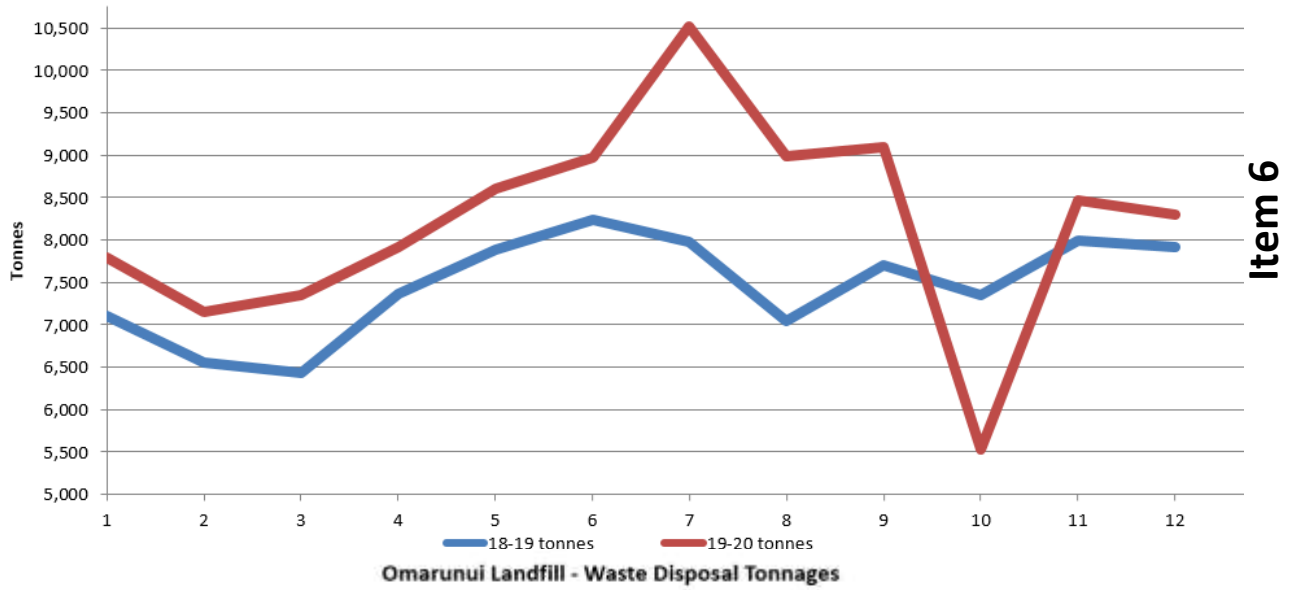
Records of the various categories of waste disposed of at the landfill are recorded in the landfill's weighbridge software system. The estimated tonnages are compared to actual tonnages in the following user categories:

	2018/19 actual (tonnes)	2019/20 actual (tonnes)	2019/20 estimated (tonnes)
Commercial	45,665	46,780	49,000
Special	14,470	23,115	8,000
HDC	12,455	12,294	12,000
NCC	16,855	16,529	16,000
Total	89,445	98,718	85,000

- 3.1 The overall tonnage is 16% higher than estimate, with Napier City 3% above estimate, Hastings District 2% above estimate, commercial 4.5% below estimate and special 189% above estimate. The special waste was well above estimate due to the larger than expected volumes of asbestos (including asbestos contaminated products), contaminated soil, offal and food waste being received by the landfill.
- 3.2 Overall tonnages are 10.3% higher compared with last year's tonnages. Napier City has decreased 1.9%, Hastings District a 1.3% decrease, commercial a 2.4% increase and special a 37.4% increase.
- 3.3 The category "Commercial" includes all waste brought directly into the landfill by private waste operators and excludes transfer station waste.

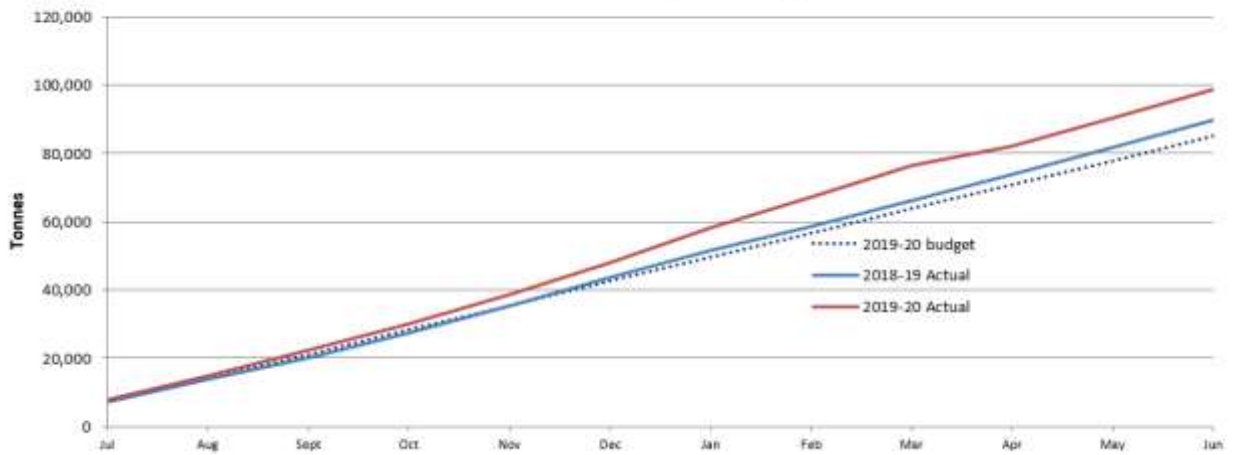


Omarunui Landfill - Tonnages by Month



Item 6

Omarunui Landfill - Waste Disposal Tonnages



Omarunui Landfill waste disposal trend 2015-2020



- 3.4 The Landfill reported a surplus of \$3,693,829 for the financial year ended 30 June 2020. This is supported by the Omarunui Landfill Joint Committee Financial Statements for the year ended 30 June 2020 (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 \$3,693,829 was \$2,378,012 above budget and is summarised as follows:

2018/19 Actual	Financial Position	2019/20 Actual	2019/20 Budget	2019/20 Variance	% Variation
9,364,287	Total Revenue	11,817,384	9,011,194	2,806,190	31.1%
6,874,692	Total Expenditure	8,123,555	7,695,377	428,178	5.6%
2,489,594	Surplus before adjustments	3,693,829	1,315,817	2,378,012	181%

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

EXPENDITURE	Actual \$	Budgeted \$	Variance \$	Variation
Maintenance - Landfill	1,071,233	1,716,915	(645,681)	37.6%
Other refuse disposal	700,364	453,372	246,992	-54.5%
External plant hire	642,648	570,000	72,648	-12.7%
External plant hire escalations	70,177	40,000	30,177	-75.4%
Leachate Treatment/Disposal	93,811	84,000	9,811	-11.7%
Kiosk Charges	23,238	90,429	(67,191)	74.3%
Ground & Surface Water Testing	18,996	42,080	(23,084)	54.9%
Gas to Energy	0	1,000	(1,000)	100%
Farm operations	2,143	3,683	(1,539)	41.8%
Rates	17,343	23,400	(6,057)	25.9%
Overheads - Administrative	15,664	22,999	(7,335)	31.9%
Depreciation	1,409,998	1,527,500	(117,502)	7.7%
Total	4,065,615	4,575,377	(509,762)	11.1%

*Excludes revaluation, waste levy and ETS

4.0 Maintenance

Actual maintenance costs were almost identical to the previous 2018/19 year. However, due to changes to the plant ledger (which has been removed) and the re-allocation of costs between “maintenance” and “refuse disposal” budgets, an anomaly has resulted i.e. the maintenance budget is too high and the refuse disposal budget too low. This will be rectified in future budgets. A more accurate view of financial performance can be gained by adding the maintenance and refuse disposal activities together. That being said, less unplanned maintenance work was required during the year which helped with the 37.6% under budget result. The landfill carries out scheduled (cyclic) maintenance work as well as unplanned work when required. Scheduled items include work on the drains, roads, stormwater ponds, mowing, fences, landfill cap, weighbridge and building maintenance. As a result the landfill is in very good shape.

5.0 Refuse Disposal

Refuse disposal costs were actually slightly less than the previous 2018/19 year’s result despite the reported overspend in the above table. As explained in the point above (4. Maintenance), changes to the plant ledger (which has been removed) and the re-allocation of costs between “maintenance” and “refuse disposal” budgets, an anomaly has resulted i.e. the refuse disposal budget is too low and the maintenance budget is too high. A more accurate view of financial performance can be gained by adding the maintenance and refuse disposal activities together. The net result being a below budget result. However, disposal costs (as shown above) are 54.5% above budget due to the anomaly. The \$700,364 actual cost was a good result as it was \$30,000 less than the previous year despite the larger than anticipated volume of waste entering the site.

6.0 External Plant Hire

There was a slight over spend on external plant hire as additional plant and plant hours were required to deal with the greater than expected volume of refuse received at the site.

7.0 Leachate Treatment

Leachate treatment/disposal costs were over budget by \$9,811. This was due to the maintenance and improvement work carried out on the leachate management system. This work has resulted in efficiency and capacity improvements to the network.

8.0 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 as no additional (unscheduled) testing was required during the course of year.

9.0 REVENUE

Total revenue was 31% 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	5,430,135	3,781,000	1,649,135	43.6%
Hastings District	940,364	816,000	124,364	15.2%
Napier City	1,132,813	1,088,000	44,813	4.1%
Other Revenue (sale of gas)	44,907	45,172	(265)	-0.6%
Rentals (Farm)	9,177	9,402	(226)	2.4%
Leachate & Tyre development	196,356	160,000	37,436	23.4%
Total	7,753,752	5,899,574	1,854,178	31.4%

*Excludes waste levy, ETS and interest on funds

10.0 Current Development and Development Expenditure

The development costs for the Omarunui Landfill for the 2019/2020 year were as follows:

Actual \$	Budget \$	Variance \$	Variation %
\$1,985,370	\$6,730,468	\$4,745,098	70%

Development costs incurred during the 2019/20 year principally related to the completion of construction work on a section of earth liner work in Area D. Other development work included the extension of the gas capture network and improvements to the leachate treatment system (including leachate ponds). Overall the development budget was well under spent as a result of rescheduling the Area D liner extension (northern end) and not starting Area B construction. Resource consents are still required (subject to approval) for developing Area B, and as a result only limited expenditure relating to professional services has occurred. This expenditure mainly related to planning, resource consent application and design activities. Development funds not spent were carried forward to the current year.

The Area B budgets in the landfill's long term plan do not quite align with actual work on site due to the extended life of Area D. That extension related to an amendment to the Area A & D resource consent which was granted in the previous financial year.

11.0 Future Development Work

It is expected that further work will be carried out on developing the gas capture system in the 2020/21 year in conjunction with the new owners (LMS Energy) of the gas to energy plant at the landfill. 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.

Construction work is planned for Area B in the 2020/21 year should resource consent be granted. Planning and design work will continue in support of the consent application (lodged in December 2019) and approval process. 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 late 2025.

12.0 Plant Management Contract

The current plant management contract was scheduled to finish earlier in the year, however due to the Covid-19 interruption to the landfill's work programming it was initially extended to 30th September. This date now needs to be extended to May/June 2021. The extension is required because the summer months are crucial for the construction of earth liner systems and a possible

change in contractor would be disruptive and potentially have a negative impact on this construction work which needs to be completed.

An update on the tender process will be presented at the next Committee meeting scheduled for 4th December and a recommendation to award a new contract will be put to the Committee at the first scheduled meeting in the new calendar year (exact date to be confirmed but likely to be around late March). Extending the contract to at least 31st May 2021 will allow current landfill projects to be completed and time for the tender process to be executed in a way works positively for the landfill and contractor alike. The lighter work load envisaged for the later part of the financial year (May and June) will allow landfill staff and any new contractor the ability to transition workflow expectations more easily during that period.

13.0 Waste Levy

The waste levy was collected at a rate of \$10 per tonne during the 2019/20 year. The \$10 rate continues to be applied in the current 2020/21 year but will increase to \$20 per tonne next financial year (starting 1st July 2021). The NZ Government has decided to increase the levy from \$10 to \$60 per tonne over the 4 years. The new increased rates that will need to be charged at the landfill gate are as follows:

- 1st July 2020 = \$10 per tonne (current rate being charged)
- 1st July 2021 = \$20 per tonne
- 1st July 2022 = \$30 per tonne)
- 1st July 2023 = \$50 per tonne)
- 1st July 2024 = \$60 per tonne

Information regarding the Governments decision on the increased levy charges has been passed onto landfill customers.

14.0 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 \$29 to \$36 per tonne as of the 2020/21 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.

15.0 Gas to Energy

The Omarunui Landfill Gas Plant which was owned by Pioneer (60%) and the Hastings District Council (40%) was sold to LMS Energy (Australia) on 13th March 2020. This marks LMS's first entry into the NZ landfill gas market and includes the purchase of the landfill gas assets at the Silverstream Landfill in the Hutt Valley.

LMS supplied the landfill with an operational plan and had intended to send their Operations manager and 2 landfill gas engineers to Omarunui to conduct initial engine maintenance works and evaluate the state of the gas field. Due to Covid-19 travel restrictions, LMS has had to postpone these trips until further notice. In the meantime LMS staff are endeavouring to remotely carry out as much of the operational plan as possible until the travel restrictions are lifted. This involves the

utilisation of staff and contractors used by the previous owners of the plant. It is now encouraging to see that LMS are managing to operate the plant more efficiently than it was previously.

Moving forward, LMS have planned to upgrade the entire gas delivery side of the plant including a much needed upgrade of the cooling system. This should ensure that there is enough vacuum applied to the gas field to run the generator at full load. These works were pencilled in for mid-April but are now on hold until the current travel restrictions have been lifted.

The landfill is also in discussions with LMS on staff requirements at the site. The possibility of a joint LMS/landfill full time position at the site is being considered as a way of efficiently managing the gas field, flare and gas-to-energy plant. The coordination of these activities is extremely important for them to run well and by having one person responsible for that work is possibly the best way forward. Discussions are ongoing.

The landfill has carried out remedial work on parts of the gas capture network to improve performance. This has included re-grading some of the pipes and work on the gas well heads. Additional vertical gas wells are planned for the site over the next two years. All new wells are integrated into the gas collection network. This results in more landfill gas being captured and further reduces the opportunity of odour escaping into the atmosphere from the compacted rubbish. The additional landfill gas will in turn provide the plant with more gas to process. Regular planning meetings with LMS ensures that they also have input and knowledge of these work activities prior to the work being undertaken.

16.0 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 2020 was \$205,728. The reserve also funded the major remediation work (lining) of the leachate pit on the top of Area A.

A tyre reserve was started in 2017/18 and this has a balance in the reserve as at 30 June 2020 was \$175,213. The reserve is to assist in the off-site disposal of tyres and therefore avoid the landfilling of this particular waste stream. The waste tyres are transported from the landfill to Hawke's Bay Tyre Shredding which processes the tyres (shreds) into a fuel which is then exported overseas. Over the past year the landfill has been able to significantly reduce the tyre pile in size. The remaining tyres tend to be the larger truck and tractor tyres which are not accepted by Hawke's Bay Tyre Shredding.



The tyre pile prior to the 2019/20 year.



The tyre pile as of August 2020.

17.0 Landfill Disposal Cost

The full disposal charge rate for general waste in the 2019/20 year was \$109 (ex GST) per tonne. This included the waste levy charge of \$10 and an ETS charge of \$29 per tonne. The full disposal charge rate for general waste in the current 2020/21 year is \$119 per tonne (ex GST). This includes the waste levy charge of \$10 and an ETS charge of \$36 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.

18.0 Landfill Users Meeting

A landfill users meeting was held on 17 December 2019. Topics for discussion included charge rates, development work, general business and an update on the implementation of the joint Waste Management & Minimisation Plan.

19.0 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 the preferred option of closing the site between 12:30pm and 1:00pm was decided to be the best solution.

The preferred option was initially trialled to assess the impact of the change. While the change has not been met with universal approval from landfill customers, the vast majority are accepting of the mid-day break and are able to plan their work day around it.

The change also has the benefit of allowing all landfill 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.

The effectiveness of the mid-day break will continue to be monitored along with any problems it may cause landfill customers. The landfill does endeavour to accommodate the needs of users where possible and is now opening on Saturday mornings due to customer requests.

20.0 Health & Safety

- 20.1 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 2019/20 year, are the subject of a separate report to this committee.

21.0 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 11th of February 2020 by Billy Little of Telarc SAI. The AS/NZS ISO 9001 Standard was re-certified and now has an expiry date of 20 March 2022.

22.0 Resource Consent Compliance

The Omarunui Landfill was graded as "Fully Compliant" for all resource consents for the period 1st June 2018 to 31st 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.

23.0 Complaints

Typically landfill complaints fall into two categories, that being complaints from (i) the public i.e. neighbours, and (ii) landfill customers. The public complaints traditionally concern odour, birds, speeding vehicles (on Omarunui Rd), insecure truck loads and litter blown from the site. Twelve complaints were received during the 2019/20 year.

In terms of customers there was only one formal complaint and that concerned the condition of the shingle road within the landfill property. As a separate matter, information was sought from customers about the lunchtime closing and a small amount of negative feedback was received concerning the change.

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 such a complaint is received the condition of the road is re-evaluated and maintenance work is carried out as required.

There were twelve public complaints during the year. One of the complaints was in relation to seagulls, one concerned the poisoning of seagulls, six concerned odour and the remaining four were about litter/insecure loads.

In response to the bird complaints, additional scaring and culling was carried out by way of shooting by a registered pest control officer. The four litter complaints were dealt with promptly by immediately cleaning up litter and contacting the operator of any vehicle proven to have an insecure load.

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

All odour complaints are investigated by landfill staff to determine the origin. 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 odour can be more easily tracked and identified. Odours that may emit from time to time are typically caused by 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.

Odour complaints are also investigated by the Hawke's Bay Regional Council and if they have not been contacted by the complainant the landfill will do that on the complainant's behalf.

Of the six odour complaints received, four were from the same address on Swamp Road which has new owners. The landfill has no previous record of complaint from this property and there is a property closer to the landfill (in a relatively direct line) which did not complain about odour. No obvious cause was determined on these occasions and the complaints remain unresolved.

24.0 Covid-19

The Covid-19 lock down presented the landfill with a number of issues, these mainly involved the safety and wellbeing of landfill staff, contractors and customers. The landfill is an essential service and was required to operate as normal throughout the entire time. The acceptance of some special waste (i.e. asbestos) was put on hold, however the demand for special waste disposal dropped significantly over the Covid-19 period due to it not been related to essential work.

Landfill staff handled the situation well and worked in conjunction with HDC Health & Safety officers to ensure that safe and compliant work practices were being followed. These measures also applied to landfill customers, contractors and anyone accessing the site. For a period of time a split shift was operated by landfill staff to reduce the amount of interaction between workers. Staff members deemed vulnerable stayed at home during Levels 4 and 3. Landfill staff should be commended for their efforts and keeping the site operating during this difficult time.

One very noticeable impact of the Covid-19 lockdown was drop in refuse entering the site during April. The average per month tonnage for the 2019/20 year was around the 8,500 tonne mark,

however only 5,500 tonnes was received in April. The brief drop in waste had no real impact on the landfill accounts as tonnages were tracking well above estimate and continued to do so after April.

The drop in tonnages during the level 4 part of the Covid-19 lockdown related to the component of waste that was produced from nonessential work activity i.e. construction and non-exempt business activity.

25.0 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 98,700 tonnes per annum. This represents an average increase of approximately 5,340 tonnes per year over that period. This increase is seen as a reflection of economic and population growth in Hawke's Bay over the last five to six 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.

As highlighted in this report the landfill worked through the Covid-19 lockdown and remained open to receive all essential service waste. The landfill managed this safely and efficiently without incident.

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). Once a new consent is 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, changes to urban kerbside recycling and refuse and collection services will 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.

Attachments:

1 [1](#) Omarunui Landfill Annual Report 30th June 2020 CG-14-147

Summary of Considerations - *He Whakarāpopoto Whakaarohanga*

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 wellbeing of communities in the present and for the future.

Link to the Council's Community Outcomes – *Ngā Hononga ki Ngā Putanga ā-Hapori*

This proposal promotes the <Enter text> wellbeing of communities in the present and for the future.

Māori Impact Statement - *Te Tauākī Kaupapa Māori*

<Enter text> :

Sustainability - *Te Toitūtanga*

<Enter text> :

Financial considerations - *Ngā Whakaarohanga Ahumoni*

<Enter text> :

Significance and Engagement - *Te Hiranga me te Tūhonotanga*

This decision/report has been assessed under the Council's Significance and Engagement Policy as being of <Enter text> significance.

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

<Enter text> :

Risks

Opportunity:<Enter text> :

REWARD – <i>Te Utu</i>	RISK – <i>Te Tūraru</i>
[State the benefit, opportunity, innovation of the outcome & whether it benefits; Safety (public/ staff/ contractors), Finances, Service Delivery, Legal compliance, Reputation.]	[State the significant risks or threats (4 or 5 max) to the objective & whether they affect; Safety (public/ staff/ contractors), Finances, Service Delivery, Legal compliance, Reputation.]

Rural Community Board – *Te Poari Tuawhenua-ā-Hapori*

<Enter text> :

**OMARUNUI LANDFILL JOINT COMMITTEE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

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**OMARUNUI LANDFILL JOINT COMMITTEE
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD ENDING 30 JUNE 2020**

2018/19 ACTUAL \$		NOTES	2019/20 ACTUAL \$	2019/20 BUDGET \$	2019/20 VARIANCE \$
REVENUE					
1,996,829	Local Authorities		2,073,177	1,904,000	169,177
4,490,306	Commercial Operations		5,430,135	3,781,000	1,649,135
15,143	Other		26,074	1,022	25,052
16,795	Sale of gas		18,833	35,770	(16,937)
9,177	Rentals (Farm)		9,177	9,402	(226)
97,570	Interest on funds		59,971	-	59,971
89,555	Leachate Development	(i)	98,718	80,000	18,718
89,555	Waste Tyre Processing	(i)	98,718	80,000	18,718
895,550	Waste Levy \$10/t	(ii)	987,183	800,000	187,183
1,663,808	ETS \$18/t & \$29/t	(iii)	3,015,398	2,320,000	695,398
9,364,287	Total Revenue		11,817,384	9,011,194	2,806,190
EXPENDITURE					
1,094,513	Maintenance - Landfill		1,071,233	1,716,915	(645,681)
730,773	Other refuse disposal		700,364	453,372	246,992
581,356	External plant hire		642,648	570,000	72,648
32,372	External plant hire escalations		70,177	40,000	30,177
194,085	Leachate Treatment/Disposal		93,811	84,000	9,811
60,644	Kiosk Charges		23,238	90,429	(67,191)
29,135	Ground & Surface Water Testing		18,996	42,080	(23,084)
	- Gas to Energy		-	1,000	(1,000)
	- Revaluation Decrement		-	-	-
2,063	Farm operations		2,143	3,683	(1,539)
18,816	Rates		17,343	23,400	(6,057)
22,434	Overheads - Administrative	(iv)	15,664	22,999	(7,335)
1,550,242	Depreciation		1,409,998	1,527,500	(117,502)
894,453	Waste Levy \$10/t	(ii)	1,042,542	800,000	242,542
1,663,808	ETS \$18/t & \$29/t	(iii)	3,015,398	2,320,000	695,398
6,874,692	Total Expenditure		8,123,555	7,695,377	428,178
Reverse: Landfill Forest					
2,489,594	SURPLUS BEFORE ADJUSTMENTS		3,693,829	1,315,817	2,378,012
(20,923)	Aftercare - Valley A		494,588		
52,279	Aftercare - Valley D		727,231		
14,175	Emissions Trading Scheme		(458,884)		
2,472,414	SURPLUS		2,013,126		
282,457	Transfer to/(from) reserves - Plant fund	1	59,443		
-	Transfer to/(from) reserves - Property fund	2	-		
173,277	Transfer to/(from) reserves - Aftercare costs	3	158,663		
96,424	Transfer to/(from) reserves - Leachate	4	(237,770)		
89,555	Transfer to/(from) reserves - Tyre	5	(420)		
(63,018)	Transfer to/(from) reserves - Forest Replant	6	-		
1,893,719	Surplus transferred to accumulated balance	9	2,033,210		
2,472,414	SURPLUS		2,013,126		

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 \$29/T, last year \$18/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*

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**OMARUNUI LANDFILL JOINT COMMITTEE
STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDING 30 JUNE 2020**

2018/19 Total 100%		Note	2019/20 Total 100%	2019/20 HDC Share 63.68%	2019/20 NCC Share 36.32%
INVESTMENTS					
2,678,554	Plant Replacement Reserve	1	2,737,997	1,743,556	994,440
-	Property Reserve	2	-	-	-
2,359,872	Aftercare Reserve	3	2,518,535	1,603,803	914,732
443,498	Leachate Development Reserve	4	205,728	131,008	74,720
175,633	Tyre Reserve	5	175,213	111,576	63,637
56,982	Forest Replant Reserve	6	56,982	36,286	20,696
93,442	Forestry	8	93,442	59,504	33,938
<u>5,807,981</u>			<u>5,787,896</u>	<u>3,685,732</u>	<u>2,102,164</u>
FIXED ASSETS					
8,827,509	Landfill assets		9,437,367	6,009,715	3,427,652
\$ 14,635,491	Total assets		\$ 15,225,264	\$ 9,695,447	\$ 5,529,815
PROVISIONS					
849,871	Aftercare Provision		2,071,690	1,319,252	752,438
<u>849,871</u>			<u>2,071,690</u>	<u>1,319,252</u>	<u>752,438</u>
453,045	ETS Provision		911,929	580,717	331,213
<u>453,045</u>			<u>911,929</u>	<u>580,717</u>	<u>331,213</u>
RATEPAYER EQUITY					
7,618,037	Accumulated Balance	9	6,547,191	4,169,251	2,377,940
5,714,539	Reserves	10	5,694,455	3,626,229	2,068,226
<u>13,332,576</u>			<u>12,241,646</u>	<u>7,795,480</u>	<u>\$ 4,446,166</u>
\$ 14,635,491	Total funds employed		\$ 15,225,264	\$ 9,695,449	\$ 5,529,816

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

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**OMARUNUI LANDFILL JOINT COMMITTEE
STATEMENT OF MOVEMENTS IN EQUITY
FOR THE PERIOD ENDING 30 JUNE 2020**

2018/19 Total	Note	2019/20 Total
13,256,066	Equity at the start of the period	13,332,575
-	Plus Revaluation Reserve	-
2,472,414	Net Surplus for the period	2,013,126
2,472,414	Total Recognised Revenues and Expenses for the Period	2,013,126
<u>Distributions to Owners</u>		
(870,193)	Napier City Council	(1,127,393)
(1,525,712)	Hastings District Council	(1,976,663)
\$ 13,332,575	Equity at the end of the Period	\$ 12,241,645
<u>Components of Equity</u>		
7,618,037	Accumulated Balance	6,547,191
5,714,539	Reserves	5,694,455
\$ 13,332,576		\$ 12,241,645

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OMARUNUI LANDFILL JOINT COMMITTEE NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDING 30 JUNE 2020

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 \$111,468 per annum for 16 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 \$3.39 million and on-going aftercare costs will be \$90,032 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.

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Notes to Financial Statements

2018/19 Total 100%		Note	2019/20 Total 100%	2019/20 HDC Share 63.68%	2019/20 NCC Share 36.32%
PLANT REPLACEMENT RESERVE					
		1			
2,396,097	Balance at beginning of year		2,678,554	1,705,703	972,851
235,033	Transfer to/from reserves		30,138	19,192	10,946
47,424	Interest		29,305	18,662	10,644
<u>\$ 2,678,554</u>	Balance at end of year		<u>\$ 2,737,997</u>	<u>1,743,556</u>	<u>994,440</u>
PROPERTY RESERVE					
		2			
-	Balance at beginning of year		-	-	-
-	Interest		-	-	-
-	Transfer to/from reserves - forestry		-	-	-
<u>\$ -</u>	Balance at end of year		<u>\$ -</u>	<u>-</u>	<u>-</u>
AFTERCARE RESERVE					
		3			
2,186,595	Balance at beginning of year		2,359,872	1,502,766	857,105
43,277	Interest		25,803	16,431	9,372
130,000	Transfer to/from reserves		132,860	84,605	48,255
<u>\$ 2,359,872</u>	Balance at end of year		<u>\$ 2,518,535</u>	<u>1,603,803</u>	<u>914,732</u>
LEACHATE RESERVE					
		4			
347,074	Balance at beginning of year		443,498	282,420	161,079
6,869	Interest		4,863	3,097	1,766
89,555	Transfer to/from reserves		(242,634)	(154,509)	(88,125)
<u>\$ 443,498</u>	Balance at end of year		<u>\$ 205,728</u>	<u>131,008</u>	<u>74,720</u>
TYRE RESERVE					
		5			
86,078	Balance at beginning of year		175,633	111,843	63,789.93
-	Interest		-	-	-
89,555	Transfer to/from reserves		(420)	(267)	(152)
<u>\$ 175,633</u>	Balance at end of year		<u>\$ 175,213</u>	<u>111,576</u>	<u>63,637</u>
FOREST REPLANT RESERVE					
		6			
120,000	Balance at beginning of year		56,982	36,286	20,696
-	Interest		-	-	-
(63,018)	Transfer to/from reserves		-	-	-
<u>\$ 56,982</u>	Balance at end of year		<u>\$ 56,982</u>	<u>36,286</u>	<u>20,696</u>
REVALUATION RESERVE					
		7			
-	Balance at beginning of year		-	-	-
-	Transfer to/from reserves		-	-	-
<u>\$ -</u>	Balance at end of year		<u>\$ -</u>	<u>-</u>	<u>-</u>
FORESTRY					
		8			
<u>\$ 93,442</u>	Accumulated costs to date		<u>\$ 93,442</u>	<u>59,504</u>	<u>33,938</u>

Costs comprised as follows:

Consultants
Insurance
Management
Rates

<u>\$ -</u>		<u>\$ -</u>			
ACCUMULATED BALANCE		9			
8,120,224	Balance at beginning of year	7,618,037	4,851,166	2,766,871	
1,893,719	Surplus for year	2,033,210	1,294,748	738,462	
10,013,942		9,651,247	6,145,914	3,505,333	
2,395,905	Distributions	3,104,056	1,976,663	1,127,393	
<u>\$ 7,618,037</u>	Balance at end of year	<u>\$ 6,547,191</u>	<u>4,169,251</u>	<u>2,377,940</u>	
RESERVES		10			
2,678,554	Plant Replacement Reserve (note 1)	2,737,997	1,743,556	994,440	
-	Property Reserve (note 2)	-	-	-	
2,359,872	Aftercare Reserve (note 3)	2,518,535	1,603,803	914,732	
443,498	Leachate Reserve (note 4)	205,728	131,008	74,720	
175,633	Tyre Reserve (note 5)	175,213	111,576	63,637	
56,982	Forest Replant Reserve (note 6)	56,982	36,286	20,696	
-	Revaluation Reserve (note 7)	-	-	-	
<u>\$ 5,714,539</u>	Total Reserves at end of year	<u>\$ 5,694,455</u>	<u>3,626,229</u>	<u>2,068,226</u>	

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**OMARUNUI LANDFILL JOINT COMMITTEE
STATEMENT OF CASHFLOWS
FOR THE PERIOD ENDING 30 JUNE 2020**

2018/19 Total	Note	2019/20 Total
CASHFLOWS FROM OPERATING ACTIVITIES		
<u>Cash was received from:</u>		
4,522,244	Receipts from customers	5,475,042
1,996,829	Receipts from Local Authorities	2,073,177
97,570	Interest Received	59,971
89,555	Leachate Development	98,718
89,555	Waste Tyre Processing	98,718
1,663,808	ETS \$18/t & \$29/t	3,015,398
895,550	Waste levy \$10/t	987,183
9,177	Rent Received	9,177
<u>9,364,287</u>		<u>11,817,384</u>
<u>Cash was disbursed to:</u>		
5,324,451	Payments to Suppliers and Employees	6,713,557
<u>5,324,451</u>		<u>6,713,557</u>
4,039,836	Net Cash Inflow from Operating Activities A	5,103,827
CASH FLOWS FROM INVESTING ACTIVITIES		
<u>Cash was received from:</u>		
-	Sale of Fixed Assets	-
<u>Cash was applied to:</u>		
-	Valley A Development	-
728,308	Valley D Development	1,786,312
273,910	Valley B/C Development	199,058
-	Purchase of Fixed Assets	34,485
63,018	Forestry Development	-
282,457	(Increase)/Decrease in Plant Replacement Reserve	59,443
-	(Increase)/Decrease in Property Reserve	-
173,277	(Increase)/Decrease in Aftercare Reserve	158,663
89,555	(Increase)/Decrease in Tyre Reserve	(420)
(63,018)	(Increase)/Decrease in Forest Replant Reserve	-
96,424	(Increase)/Decrease in Leachate Reserve	(237,770)
<u>1,643,931</u>		<u>1,999,771</u>
(1,643,931)	Net Cash (Outflow) from Investment Activities B	(1,999,771)
CASH FLOWS FROM FINANCING ACTIVITIES		
<u>Distribution to Owners:</u>		
(870,193)	Napier City Council (36.32%)	(1,127,393)
(1,525,712)	Hastings District Council (63.68%)	(1,976,663)
(2,395,905)	Net Cash(Outflow) from Financing Activities C	(3,104,056)
CLOSING CASH RECONCILIATION		
0	Net Increase/(Decrease) in Cash Held A+B+C	0
0	Add Opening Cash	0

<u>0</u> Closing Cash Balance	<u>0</u>
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Note 6 Fixed Assets

		SA	CAI	RY/RW		DE	DAI					
	Opening Asset Costs	Additions	Disposal @ cost	Revaluation	Closing Asset Cost	Opening Accumulated Depn	Depn	Disposal Accumulated Depn	Closing Accumulated Depn	Closing Written Down Value	Disposal (Gain)/Loss	Dep Rates
Computer & Office Eq												
103113	UPS Vectek Rack - 7 KVA	3,112.50	0.00	0.00	3,112.50	-3,112.50	0.00	0.00	-3,112.50	0.00	0.00	0.00
103904	Ricoh MPC250B Photocopier	5,119.21	0.00	0.00	5,119.21	-4,603.18	-516.03	0.00	-5,119.21	0.00	0.00	20.00
		8,231.71	0.00	0.00	8,231.71	-7,715.68	-516.03	0.00	-8,231.71	0.00	0.00	
Land & Buildings												
104732	Landfill Combination Unit	0.00	34,485.00	0.00	34,485.00	0.00	-1,371.86	0.00	-1,371.86	33,113.14	0.00	
		0.00	34,485.00	0.00	34,485.00	0.00	-1,371.86	0.00	-1,371.86	33,113.14	0.00	
Landfill												
102517	Land	587,440.00	0.00	0.00	587,440.00	-0.01	0.00	0.00	-0.01	587,439.99	0.00	0.00
102518	Main Road Upgrading	134,000.00	0.00	0.00	134,000.00	-96,851.35	-3,190.56	0.00	-100,041.91	33,958.09	0.00	2.38
102519	Access Road Upgrading	254,200.00	0.00	0.00	254,200.00	-183,733.70	-6,052.49	0.00	-189,786.19	64,413.81	0.00	2.38
102520	Riosk Building	34,000.00	0.00	0.00	34,000.00	-24,568.56	-808.56	0.00	-25,379.12	8,620.88	0.00	2.38
102521	Septic Tank	8,365.00	0.00	0.00	8,365.00	-5,176.87	-199.18	0.00	-5,376.05	2,988.95	0.00	2.38
102522	Weighbridge	78,000.00	0.00	0.00	78,000.00	-56,371.34	-1,857.16	0.00	-58,228.50	19,771.50	0.00	2.38
102523	Water Supply	94,300.00	0.00	0.00	94,300.00	-68,154.29	-2,245.24	0.00	-70,399.53	23,900.47	0.00	2.38
102524	Truck Wash	26,200.00	0.00	0.00	26,200.00	-18,934.99	-623.83	0.00	-19,558.82	6,641.18	0.00	2.38
102525	Power	24,880.00	0.00	0.00	24,880.00	-17,981.79	-592.44	0.00	-18,574.23	6,305.77	0.00	2.38
102526	Telemetry	10,000.00	0.00	0.00	10,000.00	-7,235.49	-238.14	0.00	-7,473.63	2,526.37	0.00	2.38
102527	Other	154,131.00	0.00	0.00	154,131.00	-111,399.08	-3,669.90	0.00	-115,068.98	39,062.02	0.00	2.38
102528	Valley A Development	8,832,776.66	0.00	0.00	8,832,776.66	-8,832,776.66	0.00	0.00	-8,832,776.66	0.00	0.00	1.30
102529	Valley A Aftercare	618,353.00	0.00	0.00	618,353.00	-618,353.00	0.00	0.00	-618,353.00	0.00	0.00	0.00
102530	Valley D Development	20,351,715.65	1,444,959.88	0.00	21,796,675.53	-13,591,657.06	-1,357,722.76	0.00	-14,949,379.82	6,847,295.71	0.00	6.67
102531	Site Perimeter Fencing	82,601.00	0.00	0.00	82,601.00	-82,601.00	0.00	0.00	-82,601.00	0.00	0.00	5.00
102532	Gas Extraction System & Flare	1,058,406.93	0.00	0.00	1,058,406.93	-1,058,406.93	0.00	0.00	-1,058,406.93	0.00	0.00	12.50
102898	Gas Management System - Valley D	84,305.00	0.00	0.00	84,305.00	0.00	0.00	0.00	0.00	84,305.00	0.00	0.00
103066	Valley B/C Development	990,656.52	199,058.12	0.00	1,189,714.64	0.00	0.00	0.00	0.00	1,189,714.64	0.00	0.00
103165	Gas Analyser	17,850.00	0.00	0.00	17,850.00	-9,040.00	-882.49	0.00	-9,932.49	7,917.51	0.00	5.00
103166	Barrier Arms x2	20,318.20	0.00	0.00	20,318.20	-10,244.82	-1,015.94	0.00	-11,260.76	9,057.44	0.00	5.00
103167	GW Pump Hose Reel	4,441.99	0.00	0.00	4,441.99	-4,441.99	0.00	0.00	-4,441.99	0.00	0.00	12.50
104831	Valley D Development (TEMP)	0.00	341,352.00	0.00	341,352.00	0.00	0.00	0.00	0.00	341,352.00	0.00	6.67
		33,466,340.35	1,385,370.00	0.00	35,452,110.35	-24,787,329.33	-1,379,103.69	0.00	-26,177,039.62	9,275,271.33	0.00	
Vehicles Mach & Eq												
000160	Mitsubishi Fighter, 4 x 2 Cab Truck	50,879.51	0.00	0.00	50,879.51	-50,879.51	0.00	0.00	-50,879.51	0.00	0.00	15
000161	Yanmar YDP30NE Pump	4,092.00	0.00	0.00	4,092.00	-2,147.86	-409.20	0.00	-2,557.06	1,534.94	0.00	10
000236	John Deere Tractor	64,885.07	0.00	0.00	64,885.07	-46,733.06	-6,488.48	0.00	-53,221.54	11,663.53	0.00	10
000237	John Deere Tractor	26,985.00	0.00	0.00	26,985.00	-12,597.83	-1,799.04	0.00	-14,996.87	12,588.13	0.00	6.6667
000262	Toyota Hilux 4WD Double Cab Ute JFD	35,887.91	0.00	0.00	35,887.91	-12,496.16	-3,262.21	0.00	-15,758.37	20,129.54	0.00	9.09
000277	Caterpillar, Wheel Loader	108,900.00	0.00	0.00	108,900.00	-108,900.00	0.00	0.00	-108,900.00	0.00	0.00	8
000292	Champion Grader D686	26,353.00	0.00	0.00	26,353.00	-26,353.00	0.00	0.00	-26,353.00	0.00	0.00	20
000309	Geo Tech Bladder Pump & Controller	6,409.00	0.00	0.00	6,409.00	-2,402.46	-640.86	0.00	-3,048.32	3,365.68	0.00	10
000311	Tsurumi KT22.2 Submersible Pump	4,091.00	0.00	0.00	4,091.00	-1,533.60	-409.10	0.00	-1,942.70	2,148.30	0.00	10
000325	Yanmar Air Electric Start Trash Pump	4,221.00	0.00	0.00	4,221.00	-1,511.95	-422.10	0.00	-1,934.05	2,286.95	0.00	10
000329	Yanmar YDP30STE Pump	3,828.00	0.00	0.00	3,828.00	-1,913.92	-382.79	0.00	-2,296.71	1,531.29	0.00	10

000377	Fogco Odour System P	30,490.66	0.00	0.00	0.00	10,490.66	-10,490.66	0.00	0.00	-10,490.66	0.00	0.00	12.5
000378	Fogco Odour System P	30,490.65	0.00	0.00	0.00	10,490.65	-10,490.65	0.00	0.00	-10,490.65	0.00	0.00	12.5
000386	Fogco Odour System Pump	17,084.83	0.00	0.00	0.00	17,084.83	-17,084.83	0.00	0.00	-17,084.83	0.00	0.00	12.5
000388	Pump, Lowara Leachate	15,688.43	0.00	0.00	0.00	15,688.43	-15,688.43	0.00	0.00	-15,688.43	0.00	0.00	12.5
000389	Honda Twin Impeller Fire Fighter Pum	1,740.00	0.00	0.00	0.00	1,740.00	-1,740.00	0.00	0.00	-1,740.00	0.00	0.00	12.5
000392	Wingate Concrete Mix	500.00	0.00	0.00	0.00	500.00	-500.00	0.00	0.00	-500.00	0.00	0.00	20
000400	Tandem Trailer	5,000.00	0.00	0.00	0.00	5,000.00	-5,000.00	0.00	0.00	-5,000.00	0.00	0.00	10
000451	Trailer Spray System	10,250.00	0.00	0.00	0.00	10,250.00	-10,250.00	0.00	0.00	-10,250.00	0.00	0.00	12.5
000458	Cruiser 4x7m Trailer - Job Mate	1,499.00	0.00	0.00	0.00	1,499.00	-373.34	-97.43	0.00	-470.77	1,028.23	0.00	6.5
000572	Fieldmaster Mower	15,685.00	0.00	0.00	0.00	15,685.00	-11,468.31	-1,568.51	0.00	-13,036.82	2,648.18	0.00	10
000587	Trimax Striker 150 Mower	7,590.00	0.00	0.00	0.00	7,590.00	-7,590.00	0.00	0.00	-7,590.00	0.00	0.00	20
000620	Compressor	1,982.49	0.00	0.00	0.00	1,982.49	-1,982.49	0.00	0.00	-1,982.49	0.00	0.00	10
000678	Caterpillar 826H Compactor	1,529,952.11	0.00	0.00	0.00	1,529,952.11	-1,529,952.11	0.00	0.00	-1,529,952.11	0.00	0.00	12.5
000727	Winstone Water Blast	1,800.00	0.00	0.00	0.00	1,800.00	-1,800.00	0.00	0.00	-1,800.00	0.00	0.00	10
000746	Clearing Saw	2,382.70	0.00	0.00	0.00	2,382.70	-2,382.70	0.00	0.00	-2,382.70	0.00	0.00	40
000808	Polaris Ranger EV	22,979.77	0.00	0.00	0.00	22,979.77	-5,449.06	-3,447.00	0.00	-8,896.06	14,083.71	0.00	15
000809	Polaris Ranger EV	22,979.77	0.00	0.00	0.00	22,979.77	-5,449.06	-3,447.00	0.00	-8,896.06	14,083.71	0.00	15
000810	Pegasus EF Welder & Rotary Scraper	5,234.70	0.00	0.00	0.00	5,234.70	-626.47	-418.78	0.00	-1,045.25	4,189.45	0.00	8
000811	Worldpoly 250mm Hydraulic Butt Wei	8,990.00	0.00	0.00	0.00	8,990.00	-898.47	-719.24	0.00	-1,617.71	7,372.29	0.00	8
000847	Husqvarna Chainsaw	400.00	0.00	0.00	0.00	400.00	-400.00	0.00	0.00	-400.00	0.00	0.00	20
000868	Honda EM2200 LRT Por	1,607.87	0.00	0.00	0.00	1,607.87	-1,607.87	0.00	0.00	-1,607.87	0.00	0.00	20
103050	Telemetry, Leachate Pond	9,316.19	0.00	0.00	0.00	9,316.19	-9,316.19	0.00	0.00	-9,316.19	0.00	0.00	10
103162	Weightbridge Loadcells, 1x	2,163.09	0.00	0.00	0.00	2,163.09	-2,163.09	0.00	0.00	-2,163.09	0.00	0.00	10
103827	Surveillance System	27,292.13	0.00	0.00	0.00	27,292.13	-12,379.34	-2,729.21	0.00	-15,108.55	12,183.58	0.00	10
103828	Flood lights	3,947.37	0.00	0.00	0.00	3,947.37	-3,947.37	0.00	0.00	-3,947.37	0.00	0.00	33.3333
103830	Leachate Sprinklers, Piping & Valves	19,558.90	0.00	0.00	0.00	19,558.90	-6,879.18	-1,271.32	0.00	-8,150.50	11,408.40	0.00	6.5
103833	Lowara SSV13 2.2KW Pump	3,950.00	0.00	0.00	0.00	3,950.00	-2,041.12	-395.04	0.00	-2,436.16	1,513.84	0.00	10
103834	ABB Water Flow Transmitter	4,810.32	0.00	0.00	0.00	4,810.32	-4,810.32	0.00	0.00	-4,810.32	0.00	0.00	20
103882	Icom UHF Handheld Radios & Charger	6,826.00	0.00	0.00	0.00	6,826.00	-4,187.60	-853.26	0.00	-5,040.86	1,785.14	0.00	12.5
103895	Litter Fence (Netting & Materials)	4,794.80	0.00	0.00	0.00	4,794.80	-1,117.88	-239.78	0.00	-1,357.66	3,457.14	0.00	5
		2,113,518.27	0.00	0.00	0.00	2,113,518.27	-1,955,535.89	-29,000.35	0.00	-1,984,536.24	129,982.03	0.00	
Total Landfill Assets at Year-end		35,588,690.93	2,819,835.00	0.00	0.00	27,688,545.93	-26,761,181.50	-1,609,997.93	0.00	-28,171,179.43	9,437,366.50	0.00	
Investments													
104397	Forestry Block - 3 Ha	30424	0	0	0	30424	0	0	0	0	30424	0	0
104640	Forestry Block - 42 Ha	63017.71	0	0	0	63017.71	0	0	0	0	63017.71	0	0
Total Investments at Year-end		93,441.71	0.00	0.00	0.00	93,441.71	0.00	0.00	0.00	0.00	93,441.71	0.00	

Item 6

Attachment 1

Friday, 25 September 2020

Item 7

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
**Hastings District Council: Omarunui Refuse
Landfill Joint Committee Meeting**

Te Rārangi Take

Report to Omarunui Refuse Landfill Joint Committee

Nā:
From: Jeff Tieman, Management Accountant

Te Take:
Subject: Annual Review of Hedging Strategy for Landfill Carbon Emissions

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.

2.0 Recommendations – *Ngā Tūtohunga*

- A) That the Omarunui Refuse Landfill Joint Committee receives the report titled Annual Review of Hedging Strategy for Landfill Carbon Emissions.
- B) That the Committee endorse the forward purchase contract for 157,820 New Zealand units currently estimated at around \$6,061,715 to fix the price of NZUs for the calendar years 2021, 2022, 2023 and 2024, 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 5th 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 2019 calendar year. The landfill had forward cover contracts for 105,910 NZU. Officers elected to retain 11,900 units from this contract to utilise for the 2020 year and settled the shortfall with the fixed rate payment option of \$25 per unit, which was the last year this price was available. This allowed the landfill to have sufficient units available for the 2020 calendar year as we estimate we will have around 100,000 tonnes for the year, with contracted units to cover 90,000 tonnes. This will save the landfill approximately \$119,000. The continuous growth in tonnes has meant officers have revised their position on future volumes from 90,000 tonnes to 100,000 tonnes and this is reflected in the proposed future contract volumes. The landfill currently holds the following forward contracts:

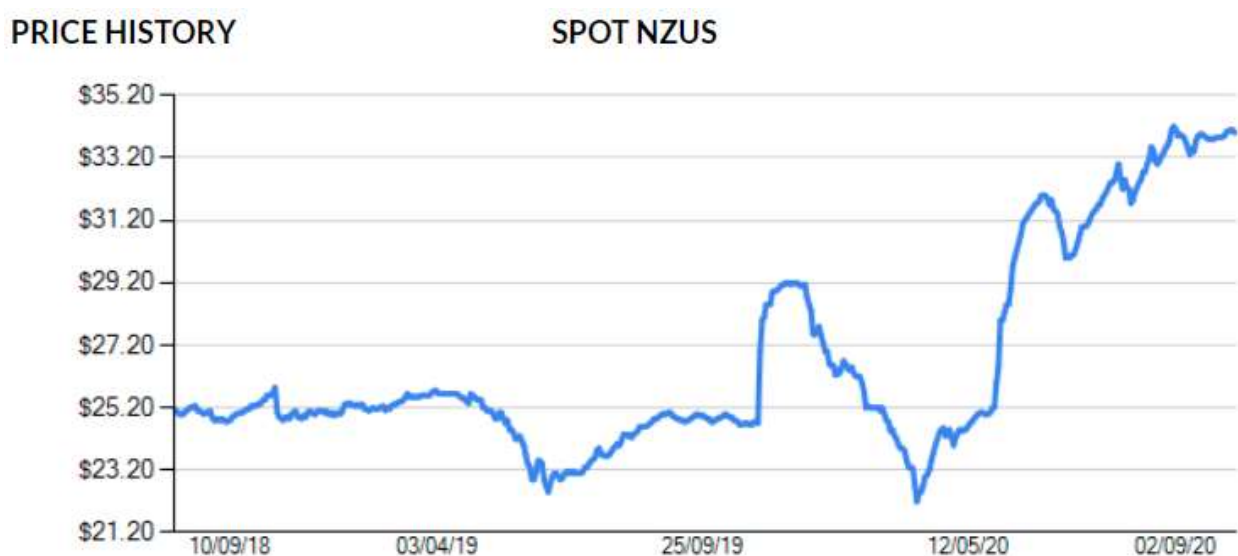
Calendar year	Surrender	Cover	Seller	Buyer	No of NZU's	Price/unit	Cost
2020	May 2021	100%	Westpac	HDC	107,100	\$27.65	\$2,961,315
2021	May 2022	80%	Westpac	HDC	85,680	\$28.71	\$2,459,872
2022	May 2023	60%	Westpac	HDC	64,260	\$29.80	\$1,914,948

As well as this, the landfill also has authority (September 2019 Omarunui Refuse Landfill Joint Committee meeting recommendation) to purchase 107,100 units which officers have been unable to purchase due to technical issues with Westpac Bank's ability to participate in the NZU market. Westpac have advised that this issue should be resolved in the next few months.

Calendar year	Surrender	Cover	Seller	Buyer	No of NZU's	Price/unit	Cost
2021	May 2022	20%	Westpac	HDC	21420	\$ 26.75	\$ 572,985.00
2022	May 2023	20%	Westpac	HDC	21420	\$ 27.65	\$ 592,263.00
2023	May 2024	60%	Westpac	HDC	64260	\$ 28.55	\$ 1,834,623.00

4.0 Discussion – Te Matapakitanga

- 4.1 The chart below shows the trend in the NZU spot price for the last 2 years, plus the latest pricing for the spot and future units.



MARKET	MARKET RULES	TERMS	FAQ	CONTACT
CONTRACT DESCRIPTION (NZ\$)	BEST BID	BEST OFFER	LAST/FIX	
NZUs - Spot	33.90	34.25	34.00	
NZUs - April 2021	34.55	34.75	34.75	
NZUs - April 2022	35.50	36.10	35.87	
NZUs - April 2023	36.55	37.55	37.15	
NZUs - April 2024	37.50	38.85	38.27	
NZUs - April 2025	38.50	40.30	39.50	

- 4.2 In 2019 the Government reviewed how the whole emission trading scheme operated in New Zealand. The result of this has seen the fixed price option of \$25 per unit removed and replaced with a temporary \$35 per unit. This will remain in place until an auction system is set up where the unit price will have a floor value (first year of \$20) and a ceil price (first year of \$50). The ceiling price will be managed with a cost containment reserve, which will see the Government releasing units into the market when the price reaches the \$50 per unit price in the first year. Once the auction system has been implemented, the fixed price option will be removed. Attached is a summary from the Ministry of the Environment with full details of the new scheme.
- 4.3 Current indicative NZU forward cover price for 2022 is 35.87, 2023 \$37.15, 2024 \$38.27 and 2025 \$39.50.

- 4.4 Based on latest forecast and economic growth for the region, the expected tonnage for 2021 and beyond has been revised to 100,000 tonnes.
- 4.5 Based on the expected tonnage of 100,000T the following table summarises the volume and estimated price this will cost the landfill.

Calendar Year	Surrender	Seller	No of NZU's to purchase	Total accumulation	Price/Unit	Cost
2021	May 2022	Westpac	11,900	119,000	\$35.87	\$426,853
2022	May 2023	Westpac	33,320	119,000	\$37.15	\$1,237,838
2023	May 2024	Westpac	41,200	95,200	\$38.27	\$1,576,724
2024	May 2025	Westpac	71,400	71,400	\$39.50	\$2,820,300
			157,820			\$6,061,715

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 4.5 at a total estimated cost to the landfill of \$6,061,715. 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.

Advantages

- Provide certainty with setting the annual gate price

Disadvantages

- None

Option Two – Status Quo - Te Kōwhiringa Tuarua – Te Āhuetanga o nāiane

- 5.2 Take no forward cover contracts for 2021, 2022, 2023 and 2024 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.

7.0 Summary of Considerations - He Whakarāpopoto Whaiwhakaaro

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

- 7.1 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.

Attachments:

- 1 [📄](#) Omarunui Refuse Landfill Emission Trading Scheme CG-14-27-00070
update 4/9/2020

Summary of Considerations - *He Whakarāpopoto Whakaarohanga*

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 wellbeing of communities in the present and for the future.

Link to the Council's Community Outcomes – *Ngā Hononga ki Ngā Putanga ā-Hapori*

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 Whakaarohanga 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

Opportunity:
No implications

REWARD – <i>Te Utu</i>	RISK – <i>Te Tūraru</i>
[State the benefit, opportunity, innovation of the outcome & whether it benefits; Safety (public/ staff/ contractors), Finances, Service Delivery, Legal compliance, Reputation.]	[State the significant risks or threats (4 or 5 max) to the objective & whether they affect; Safety (public/ staff/ contractors), Finances, Service Delivery, Legal compliance, Reputation.]

Rural Community Board – *Te Poari Tuawhenua-ā-Hapori*

No Implications

9/4/2020

Price controls in the New Zealand Emissions Trading Scheme | Ministry for the Environment

Price controls in the New Zealand Emissions Trading Scheme

The Climate Change Response (Emission Trading Reform) Amendment Act (the Act) has now been passed into law. It makes a number of changes to the New Zealand Emissions Trading Scheme (NZ ETS). Read about changes related to price controls below.

New price controls

The Government has announced new price controls designed to prevent unacceptably high or low auction prices. These prices could be passed on to businesses and households.

- The cost containment reserve will replace the fixed price option. The fixed price option will increase from \$25 to \$35 and be available for participants to use from the start of 2020 and overlap with the start of auctioning to cover emissions in 2020.
- The Government has announced that the cost containment reserve will be triggered if the unit price were to reach \$50 in 2021. This would release more New Zealand units into an auction to ease demand. The trigger price will increase by two per cent for each subsequent year, based on forecast annual inflation.
- The Act will enable a price floor to be implemented through an auction reserve price. The Government has announced that the minimum accepted price to bid at auction will be \$20 in 2021 and rise by two per cent for each subsequent year.

Replacing the fixed price option with the new cost containment reserve

The current \$25 fixed price option (FPO) acts as a de facto price ceiling for participants because they know they don't have to pay more than this to meet their obligations.

Under the reformed scheme, the FPO will be replaced with a different mechanism for limiting unacceptably high NZU prices called a cost containment reserve (CCR). The CCR is explained further down this page.

Fixed price option remains during transition to auctioning and increases to \$35

The Government has decided to keep the FPO in place during the transition to auctioning while raising the price to \$35. The availability of the \$35 FPO depends on when auctioning starts.

- If the first auction occurs at any stage during 2021 then the \$35 FPO will be available to cover emissions that occur within the 2020 calendar year. Participants could access the \$35 FPO all the way until the end of the 31 May 2021 surrender deadline.

9/4/2020

Price controls in the New Zealand Emissions Trading Scheme | Ministry for the Environment

- If the first auction occurs at any stage during 2022 then the \$35 FPO will be available to cover emissions that occur within both the 2020 and 2021 calendar years. Participants could access the \$35 FPO all the way until the end of the 31 May 2022 surrender deadline.
- If the first auction occurs later than 2022 then the same approach applies - participants can access the \$35 FPO for emissions within the previous calendar year all the way through until the 31 May surrender deadline.

Allowing the FPO to ‘overlap’ with the start of auctioning gives participants certainty about the maximum compliance costs they face until auctioning is fully established.

Raising the price to \$35 balances this certainty with the need to send a reasonable signal about the expected direction of emission prices under the NZ ETS reforms.

Post-1989 forestry participants’ use of the \$35 FPO

Post-1989 forestry participants will also be able to use the \$35 FPO to meet net liabilities arising from multi-year emission returns. Access to the applicable FPO price level will be determined pro-rata based on the time period covered by the return.

For example, for an emission return filed in 2021 covering 2018–2020: the \$25 FPO could be used for 2018–2019 (or 2/3 of net emissions in that return), and the \$35 FPO for 2020 (1/3 of net emissions).

Implementing a cost containment reserve

The cost containment reserve (CCR) will replace the fixed price option as the new mechanism for ensuring NZUs do not rise to unacceptably high prices.

The CCR releases a specified volume of additional NZUs into the market if a price trigger level is reached during an auction. By adding additional units to an auction, the CCR can help to meet the demand that is driving NZU prices higher, slowing or reducing the rate of price increase.

The initial CCR price trigger to be set in regulations will be \$50 in 2021 and rise by two per cent for each subsequent year, as shown in Table 1.

Table 1. Annual cost containment reserve price trigger settings

	2021	2022	2023	2024	2025
Cost containment reserve trigger price	\$50.00	\$51.00	\$52.02	\$53.06	\$54.12

Determining the cost containment reserve volume

The effectiveness of the CCR in dampening emission prices is dependent on the volume of units available to be released.

Units sold from the reserve that exceed the NZ ETS cap will have to be backed by the Government. The process of ‘backing units’ means procuring equivalent emissions reductions (eg, by purchase of international units or funding of other activities or investments that reduce emissions domestically).

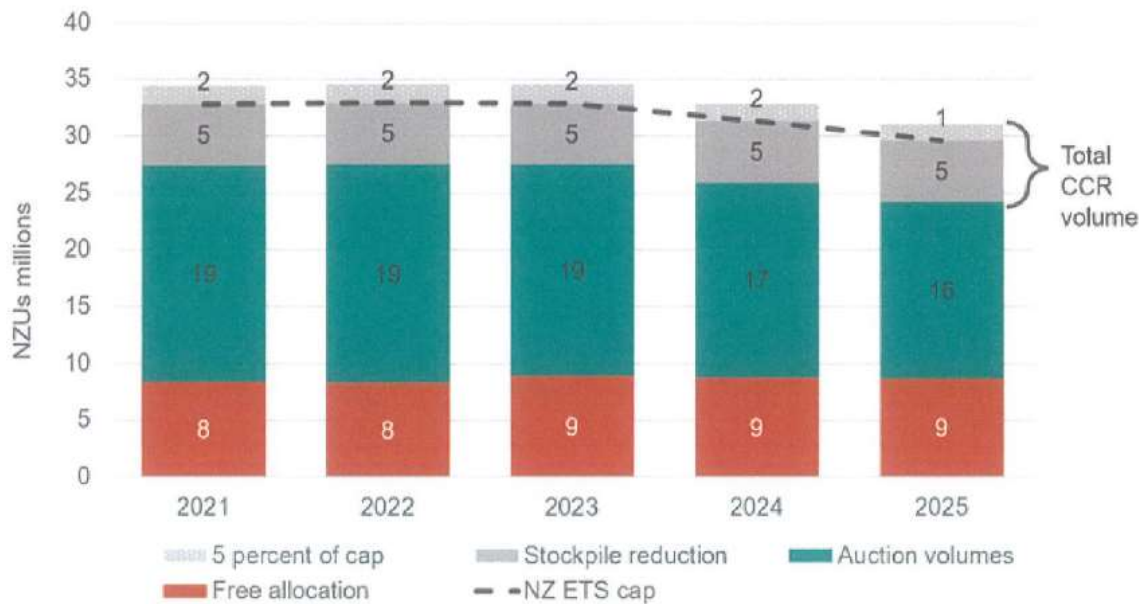
The volume of the CCR initially set in regulations will be made up of:

9/4/2020

Price controls in the New Zealand Emissions Trading Scheme | Ministry for the Environment

- units that have been withheld from auctioning to help reduce the current NZ ETS stockpile which fall under the NZ ETS cap
- a unit volume equivalent to 5 per cent of the total volume of the NZ ETS, which will fall above the NZ ETS cap, and therefore have to be 'backed', shown in Table 2 and Figure 1.

Figure 1. Breakdown of the NZ ETS cap and cost containment reserve volumes



Graph description

Table 2. Annual cost containment reserve volumes (NZU millions)

	2021	2022	2023	2024	2025	TOTAL
Stockpile reduction volume	5.4	5.4	5.4	5.4	5.4	27.0
5 percent of total NZ ETS cap	1.6	1.6	1.6	1.6	1.5	8.0
Total CCR volume	7.0	7.0	7.0	7.0	6.9	35.0

Enabling a price floor

The Act enables a price floor to be implemented through an auction reserve price. The price floor sets the minimum price that NZUs will be sold for at auction. This gives the government a tool to manage extremely low prices in the NZ ETS, providing long-term confidence for low-emissions investments such as forestry.

The Government has agreed that initial regulations will set the price floor at \$20 in 2021 and rise by two per cent for each subsequent year of the provisional emissions budget, based on forecast annual inflation shown in Table 3.

Table 3. Annual auction price floor settings

9/4/2020

Price controls in the New Zealand Emissions Trading Scheme | Ministry for the Environment

	2021	2022	2023	2024
Auction price floor	\$20.00	\$20.40	\$20.81	\$21.22

Next steps

Regulations setting the price controls are expected to be published later in 2020.

Find out more

Cabinet paper: New Zealand Emissions Trading Scheme: Settings regulations

([//www.mfe.govt.nz/more/briefings-cabinet-papers-and-related-material-search/cabinet-papers/new-zealand-emissions-0](http://www.mfe.govt.nz/more/briefings-cabinet-papers-and-related-material-search/cabinet-papers/new-zealand-emissions-0))

NZ ETS unit supply and price control settings regulations regulatory impact assessment

([//www.mfe.govt.nz/more/briefings-cabinet-papers-and-related-material-search/regulatory-impact-statements/nz-ets-unit](http://www.mfe.govt.nz/more/briefings-cabinet-papers-and-related-material-search/regulatory-impact-statements/nz-ets-unit))

Regulatory impact assessment - Extending access to the fixed-price option to emissions from the start of 2020 at \$35 ([//www.mfe.govt.nz/more/briefings-cabinet-papers-and-related-material-search/regulatory-impact-statements/regulatory-5](http://www.mfe.govt.nz/more/briefings-cabinet-papers-and-related-material-search/regulatory-impact-statements/regulatory-5))

Reforming the New Zealand Emissions Trading Scheme – Proposed settings: Summary of submissions ([//www.mfe.govt.nz/publications/climate-change/reforming-nz-ets-proposed-settings-summary-of-submissions](http://www.mfe.govt.nz/publications/climate-change/reforming-nz-ets-proposed-settings-summary-of-submissions))

Friday, 25 September 2020

Item 8

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
**Hastings District Council: Omarunui Refuse
Landfill Joint Committee Meeting**

Te Rārangi Take

Report to Omarunui Refuse Landfill Joint Committee

Nā:
From: **Angela Atkins, Waste Planning Manager**

Te Take:
Subject: **Discussion Document regarding the possible introduction of
material-specific pricing at Omarunui Landfill**

1.0 Executive Summary – *Te Kaupapa Me Te Whakarāpopototanga*

- 1.1 The purpose of this report is to seek support from the committee for officers to undertake further work investigating the establishment and implementation of material specific pricing for problematic waste materials at Omarunui Landfill.
- 1.2 This issue arises from Action 8A of Joint Waste Management and Minimisation Plan 2018 to 2024 (JWMMP) which sets out both Hastings District and Napier City Councils' responsibility to *Investigate the introduction of material-specific pricing at Omarunui Landfill.*
- 1.3 This report also aligns with the JWMMP vision - *To deliver waste minimisation and resource recovery across Hastings District and Napier City working towards zero waste.*

2.0 Recommendations – *Ngā Tūtohunga*

- A) That the Omarunui Refuse Landfill Joint Committee receives the report titled Discussion Document regarding the possible introduction of material-specific pricing at Omarunui Landfill.
- B) That the Committee approve staff undertaking further work to investigate the possibility of establishing material specific pricing at Omarunui Landfill.

3.0 Background – Te Horopaki

3.1 The JWMMP sets out a number of objectives and actions to reduce waste to landfill with the following relating directly to the opportunity to introduce material specific pricing;

3.1.1 Goal One of the JWMMP is Reduce, Recover and Recycle more waste in order to contribute to the New Zealand Waste Strategy goal: “Reducing the harmful effects of waste”.

Objective 1: To reduce total amount of waste to landfill per person in Napier and Hastings, particularly with regard to organic waste e.g. green waste and food waste.

Objective 2: To increase recovery (identification and removal of items) destined for landfill that can be reused, recovered or recycled.

3.1.2 Goal Three of the JWMMP is Improve community awareness on waste and recovery trends and knowledge around resource recovery and diversion potential.

Objective 3: To work with businesses – manufacturing/industrial/retail – on options for recovering, reusing and recycling commercial waste.

3.2 The underlying philosophy of the JWMMP is to divert as much waste as possible from Omarunui Landfill. The Hastings District and Napier City Councils also believe that local businesses and industries have an opportunity and responsibility to manage waste appropriately.

4.0 Discussion – Te Matapakitanga

4.1 There is a specific action of the Joint Waste Management and Minimisation Plan 2018-2024 – Action 8A - *Investigate the introduction of material-specific pricing at Omarunui Landfill.*

4.2 Omarunui Landfill has experienced increasing tonnage for the past five years, after a period of static tonnages. During this time the amount of waste being deposited at the site has increased from 72,000 tonnes to 98,700 tonnes per annum. This represents an average increase of approximately 5,340 tonnes per year over that period. This increase is seen as a reflection of economic and population growth in Hawke’s Bay over the last five to six years. This is a 37% increase over the five year period.

4.3 Additional to the increase in tonnage, staff onsite have noticed an increase in the volume of packaged food waste and other divertable materials that are being disposed of to landfill because of production methods. As a result alternative disposal options are considered too expensive and/or too time consuming sorting to be undertaken.

4.4 The ultimate waste minimisation goal is for waste to only be disposed of at landfill when there are no other physical options, regardless of cost. Landfill needs to be conserved as a community asset for the benefit of future generations and we don’t want to leave a bad legacy for future generations either.

4.5 Current charge rates for general and special waste, effective from 1 July 2020:

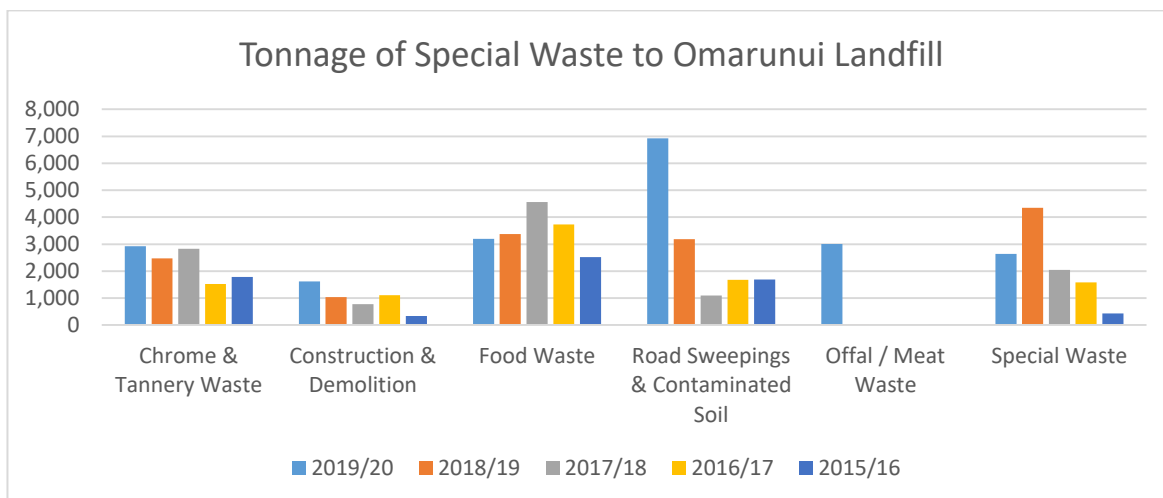
Item	2020/21 charge rate (excludes GST)
Municipal refuse. A minimum charge of \$214 (excludes GST) applies to municipal refuse.	\$119.00 per tonne or part thereof <i>(made up of \$73 base cost, plus \$10 Levy, plus \$36 ETS)</i>

Special Wastes as follows: <ul style="list-style-type: none"> • Semi liquid waste • Offal • Hazardous waste • Contaminated waste • Putrescible waste • Vehicle parts A minimum charge of \$234 (excludes GST) applies to the special wastes listed above.	\$156.00 per tonne or part thereof
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4.6 Annual tonnage to Omarunui Landfill by material type:

	2019/20	2018/19	2017/18	2016/17	2015/16
Animal Disposal	13	13	15	14	12
Asbestos	3,849	508	475	498	493
Chemicals & Baits	2	2	3	2	3
Chrome & Tannery Waste	2,920	2,478	2,829	1,519	1,784
Commercial & Industrial	25,651	23,600	22,607	24,404	22,690
Construction & Demolition	1,617	1,036	773	1,108	337
Food Waste	3,195	3,371	4,563	3,737	2,521
Milliscreen Waste	514	506	488	450	416
Polystyrene	17	42	9	3	3
Road Sweepings & Contaminated Soil	6,923	3,183	1,100	1,680	1,686
Transfer Stations	20,599	21,642	21,165	20,826	19,615
Tyres	0	7	66	2	27
Kerbside Collections	27,732	28,588	29,828	28,114	25,157
Offal / Meat Waste	3,010	10	0	0	14
Out of District	34	15	0	1	1
Special Waste	2,638	4,350	2,049	1,579	435
Vehicle Parts	0	36	72	99	134
Total	98,714	89,387	86,043	84,036	75,327

4.7 Annual tonnage of special wastes to Omarunui Landfill



4.8 Recent Examples of loads and materials

- 4.8.1 Example of one load – July 2019 – 30m³ of frozen meat (weight 10.6 tonnes). This could have been sent to BioRich or Eco Stock Feed if it was depackaged.



- 4.8.2 Example 2 – plastic sauce bottles, a mixture full and empty – August 2019 – 8.2 tonnes



- 4.8.3 Example 3 – over a 15 day period 17 x 30m³ hook bins of canned product, total weight 186.66 tonnes.
- 4.8.4 This financial year we have seen an increase in offal and meat waste, particularly pelts (700 tonnes), which normally go to Bio Rich for composting, however they have reached their processing capacity for these types of putrescible wastes. The HDC and NCC officers have provided a letter of support for BioRich's application to the National Waste Disposal Levy Contestable fund to expand their operation and increase processing capacity.
- 4.9 In addition to the organic waste materials coming to landfill, there are other materials used in the agricultural and horticultural sectors that can be recycled such as bird netting, polythene, however they require more work to clean, prepare and package for recycling.
- 4.10 Where an alternative sustainable reuse option exists, this should be used and landfill pricing reviewed to reflect, i.e. the gate rate for these material should be higher to encourage further diversion and reuse. Currently it is cheap and easy to dump instead of looking for recovery options so few companies look into alternative disposal options.
- 4.11 The increase of the national waste disposal levy commencing 1 July 2021 from \$10 to \$20 per tonne and \$60 by 2024 is drive more diversion of material from landfill and the introduction of material specific pricing at Omarunui Landfill is in line with this concept.

5.0 Options – Ngā Kōwhiringa

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

- 5.1 Officers investigate and report back to the committee at a future committee meeting regarding possible new gate rates for some materials:

Advantages

- Alignment with the JWMMP
- Reducing waste to landfill
- Conserving space for future years.
- In line with national policy to increase diversion of material from landfill.

Disadvantages

- A change from the current pricing structure
- May require additional resourcing at landfill to monitor and accurately record.

Option Two – Status Quo - Te Kōwhiringa Tuarua – Te Āhuetanga o nāiane

- 5.2 Do not investigate – leave gate rates as the current structure without review of material specific pricing.
- This option does not align with the JWMMP, current national approach to waste and will not support diversion.

6.0 Next steps – *Te Anga Whakamua*

- 6.1 Officers will undertake further work investigating the establishment and implementation of material specific pricing for problematic waste materials at Omarunui Landfill and report back to a future committee meeting.

Attachments:

There are no attachments for this report.

Summary of Considerations - *He Whakarāpopoto Whakaarohanga*

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 wellbeing of communities in the present and for the future.

The objective of this decision is relevant to the purpose of Local Government by ensuring Omarunui Landfill is managed in a way that is cost effective to households and businesses

Link to the Council's Community Outcomes – *Ngā Hononga ki Ngā Putanga ā-Hapori*

This proposal promotes the local public services wellbeing of communities in the present and for the future supporting a community which wastes less.

Māori Impact Statement - *Te Tauākī Kaupapa Māori*

The impact on the Maori community will be considered should the report be supported by the committee and the work progress to the next stage.

Sustainability - *Te Toitūtanga*

At a high level the introduction of material specific pricing to encourage further diversion will result in sustainable outcomes, this will be detailed further should the work progress to the next stage.

Financial considerations - *Ngā Whakaarohanga Ahumoni*

The financial impact will be considered and detailed should the report be supported by the committee and the work progress to the next stage.

Significance and Engagement - *Te Hiranga me te Tūhonotanga*

This decision/report has been assessed under the Council's Significance and Engagement Policy as being not of significance, this will be reassessed, should the work progress to the next stage.

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

Consultation requirements will be considered and detailed in the next report should the report be supported by the committee and the work progress to the next stage.

Risks

Opportunities and risks will be detailed in the next report should the work progress to the next stage.

Rural Community Board – *Te Poari Tuawhenua-ā-Hapori*

N/A
