

Friday, 2 September 2022

He hui e whakahaeretia nei e Te Kaunihera ā-Rohe o Heretaunga

Administered by Hastings District Council

Ōmarunui Refuse Landfill Joint Committee Meeting

Kaupapataka

Agenda

Te Rā Hui:
Meeting date: **Friday, 2 September 2022**

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

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

The Heads of Agreement for the Ōmarunui 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 Ōmarunui 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	Ōmarunui 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 Ōmarunui 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 Ōmarunui 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, 2 September 2022

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council

Ōmarunui Refuse Landfill Joint Committee Meeting

Kaupapataka

Agenda

Heamana

Chair: Councillor Ann Redstone (HDC)

Nga mema o te Komiti

Committee Members:

Councillors Simon Nixon, Henare O'Keefe 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 Rārangi Take

Order of Business

1.0 Apologies – *Ngā Whakapāhatanga*

An Apology for Absence had been received from Cr Richard McGrath (NCC).

Leave of Absence had previously been granted to Councillor Lawson – Alternate (HDC).

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.

3.0 Confirmation of Minutes – *Te Whakamana i Ngā Minitī*

Minutes of the Ōmarunui Refuse Landfill Joint Committee Meeting held Friday 17 June 2022.
(Previously circulated)

4.0 Education Building Update 9

5.0 Ōmarunui Joint Landfill Annual Report for the Year Ending 30 June 2022 21

6.0 Annual Review of Hedging Strategy for Landfill Carbon Emissions 45

7.0 Health & Safety Update Report 51

8.0 **Minor Items – *Ngā Take Iti***

9.0 **Urgent Items – *Ngā Take Whakahihiri***

Friday, 2 September 2022

Item 4

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Ōmarunui Refuse Landfill Joint Committee Meeting

Te Rārangi Take

Report to Ōmarunui Refuse Landfill Joint Committee

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

Te Take:
Subject: **Education Building Update**

1.0 Purpose and summary - *Te Kaupapa Me Te Whakarāpopototanga*

- 1.1 The purpose of this report is to update and seek a decision from the Ōmarunui Refuse Landfill Joint Committee regarding the increase in costs to build an Education Centre and Office at Ōmarunui Landfill overlooking Area B.
- 1.2 Having a dedicated education building will improve our ability to undertake landfill tours, increase the engagement of our community and improve their understanding of what happens to our waste - and through this empower them to reduce their waste.
- 1.3 The provision of a dedicated office for staff overlooking the new landfill area will allow for engineers and technicians to observe activities and provide a fit for purpose working space.
- 1.4 That the Committee approve the budget increase to construct an Education Building and Office.

2.0 Recommendations - *Ngā Tūtohunga*

- A) That the Ōmarunui Refuse Landfill Joint Committee receive the report titled Education Building Update dated 2 September 2022.
- B) That the Committee approve a \$300,000 increase to a total budget of \$700,000 (ex GST) for the construction of an Education Building and Office at the landfill so that officers can continue with price negotiations.

- C) Subject to Recommendation B) above being approved, officers will report back to the Committee on a confirmed construction price for final consideration and approval.

3.0 Background – Te Horopaki

- 3.1 The Joint Waste Management and Minimisation Plan (WMMP) 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 and Napier City Councils' waste minimisation teams have in the past provided educational tours for schools, businesses, and the public to the landfill. Tours were stopped indefinitely in October 2021 due to changes in site operations with the tip face and development construction preventing the use of the two existing viewing areas.
- 3.3 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. It would also provide the option to run them all year round when the weather makes it unpleasant for outside tours, such as in extreme heat or wet weather.
- 3.4 An opportunity has arisen to use recovered building materials that have been brought into Henderson Road Refuse Transfer Station and Ōmarunui 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 either this year, or next financial year at the latest.
- 3.5 With the landfill taxes continuing to increase, our community is going to be paying significantly more for waste disposal. By providing improved education on what happens to our waste and how it can be reduced at school, home, work and out in the community, we can help reduce what goes to landfill. This can save money for our community and extending the life of our landfill.
- 3.6 One of the actions to come out of the Joint WMMP looks at improving education provided to our community:
- 3.7 **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.*
- 3.8 As the landfill currently has a need for more appropriate office space an opportunity to combine these two projects has arisen. One building that meets the needs of an education centre and office is therefore proposed. This approach will generate savings and efficiencies for the landfill.
- 3.9 In December 2020, the committee approved the construction of an Education Building and Office overlooking Area B at Ōmarunui Landfill. Since this approval; detailed architectural and construction plans have been prepared and a building consent obtained.
- 3.10 A copy of the original report is attached to this updated report (**Attachment 1**).

4.0 Original Building Cost Estimate

- 4.1 The original rough order estimate for just the education room was \$250,000 (ex GST) and was based on an 8 x 12 m open plan, single pitch roof building. The cost of extending the project to include office space of approximately 40 m² and a small kitchenette was estimated to be in order of \$90,000 (ex GST). Both these estimates, at the time, took into account the materials that would be recovered from the landfill and refuse transfer station. In total the work was estimated to be

around the \$400,000 (ex GST) mark and included some contingency for the possible variability of the recovered materials.

5.0 Revised Building Cost Estimate

- 5.1 A revised estimate was sort in May 2022 from a major Hawke's Bay construction company and was significantly higher was in excess of \$1,000,000. This estimate was based on detailed design plans and a floor area of 200m². The original estimate was based on a floor area of approximately 140m². The floor area was increased after further consultation with building officers with regard the size of rooms used in education facilities. The addition of a meeting room located between the office area and education room also contributed to the increased floor area.
- 5.2 Another factor of note is that in the two years between estimates, building costs have increased substantially although it is hard to quantify this.
- 5.3 As the revised estimate was higher than expected (even allowing for building sector cost increase) a second estimate was sought from another building company. This estimate came in at \$610,000 (ex GST) with the opportunity to reduce the construction cost by a further \$83,000 if the recovered materials at the landfill can be used.
- 5.4 This second estimate appears to be more in line with council staff expectations and staff now wish to negotiate with this company to obtain a more formal quote.

6.0 Location

- 6.1 The building would be sited overlooking Area B (the next proposed landfill filling area) and construction of the building would likely commence late 2022 or early 2023. Area B will have a life of approximately 30 years and the building site is an ideal location for staff and visitors alike to observe development and operational work.

7.0 Funding

- 7.1 Our landfill is a community resource and we are in a unique position of owning our landfill which means we can take action to prevent it filling up too fast and extend the life of the current site for as long as possible. The landfill investing in this building is making an investment in the extension of its life through better community education, and helping conserve the landfill for future generations.
- 7.2 The two funding areas that can be used for this project are the Area B Development budget and the landfill operations budget. The Area B budget is now being used for construction work and can accommodate the increased cost of this building project. As the operations budget would typically cover the cost of office improvements, funds from this account can also be used.
- 7.3 At present a "Portacabin" located in the landfill compound is used as an office. This cabin is no longer fit for purpose and is too small for the number of staff required to use it. It is therefore important to note that a new office would need to be constructed in the very near future, even if the education building did not go ahead.
- 7.4 By combining the education building and office significant economies of scale can be achieved. The meeting room, kitchenette and toilets can also be shared. These savings and efficiencies would not be achieved if the projects were to be constructed separately.
- 7.5 The revised estimate of \$610,000 (ex GST) is an amount that is more in line with expectation, however due to price fluctuations in the building sector a contingency of \$90,000 (ex GST) is suggested. Therefore a \$300,000 increase of the budget to \$700,000 (ex GST) is now being proposed.
- 7.6 The Ōmarunui Landfill Joint Committee Heads of Agreement allows for this delegation in clause 6b; *"To construct buildings, purchase and dispose of plant, equipment and materials."*

8.0 Options – Ngā Kōwhiringa

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

- 8.1 Approve the construction of an education centre and office at landfill at the increase cost, with a \$300,000 increase of the budget approved up to \$700,000 (ex GST).

Advantages

- Alignment with the joint Waste Management and Minimisation Plan
- Provide an education space designed to engage with our community that will allow for tours and events to be undertaken all year round.
- A fit for purpose office space improving the office work environment with the ability to house better monitoring equipment.
- Has the potential to extend the life of the landfill through better education and management.
- Council adhering to sustainable building guidelines and leading the way in how we expect the community to reuse materials.

Disadvantages

- The increase in construction cost will need to be funded from existing budgets, although this will have minimal impact. The benefits outweigh the increase in costs.

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

- 8.2 Do not proceed with the building of the Education and Office Building.

Advantages

- No need to obtain approval for the construction of the new building and allocation sufficient funds from existing budgets.


Disadvantages

- Not maximising the impact and effectiveness of landfill tours or investing in the future education of the community
- Lost opportunity to showcase Council's commitment to environmental sustainability
- Not making use of materials that could be reused. This would result in materials collected to date being permanently landfilled.
- Staff would not have a fit for purpose office and meeting space to work from.

9.0 Next steps – Te Anga Whakamua

- 9.1 If approval is granted to officers to proceed with the construction of the education building and office up to a value of \$700,000 (ex GST) following HDC's Procurement Policy.

Attachments:

- 1  Ōmarunui Refuse Landfill Joint Committee Report 20/967
Proposed Education Building 4 December 2020



Friday, 4 December 2020

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*

The purpose of this report is to seek a decision from the committee regarding the use of recovered building materials from Henderson Road Refuse Transfer Station and Omarunui Landfill to build a Sustainable Education Centre and Area B site office out at Omarunui Landfill. This will improve our ability to undertake landfill tours, increase the engagement of our community and improve their understanding of what happens to our waste - and through this empower them to reduce their waste.

2.0 Recommendations – *Ngā Tūtohunga*

- A) That the Omarunui Refuse Joint Landfill Committee receive the report of the Senior Waste Minimisation Officer titled Proposed Education Building dated 4 December 2020.
- B) That the Committee approve construction of an Education Building and Office.

3.0 Background – *Te Horopaki*

- 3.1 The Joint Waste Management and Minimisation Plan (WMMP) 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 and Napier City Councils' 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. It would also provide the option to run them all year round when the weather makes it unpleasant for outside tours, such as in extreme heat or wet weather.
- 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 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 waste disposal. By providing improved education on what happens to our waste and how it can be reduced at school, home, work and out in the community, we can help reduce what goes to landfill. This can save money for our community and extending the life of our landfill.

4.0 Why Education's Important

- 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 the 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. As part of the tour within the education centre 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.

5.0 Potential Users

- 5.1 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 looking at the environmental impact, 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 not catered for with the current tour model.
- 5.2 New Plymouth have a similar space attached to their recycling plant tours and in the last year they have run 52 tours with 1620 people attending as well as 8 workshops and a few events. Workshops have included things like, making a forest out of waste plastic, Christmas wrapping and gift making, making your own t-shirt yarn, bulk buying and DIY laundry powder.
- 5.3 In addition to the landfill tours the education centre would be used for events and educational workshops to help the community take the next steps in reducing their waste. These workshops would cover a wide range of things such as the Love Food Hate Waste campaign offering practical tips and advice on reducing food waste at home, upcycling, fixing clothes and electronics, reducing your waste 101 and more events similar to New Plymouth.
- 5.4 The space would be available to our partners such as the Environment Centre, Enviroschools, Para Kore and to other community groups to use. It would also provide a space for a variety of EIT programmes that fit with the learning opportunities available at landfill.
- 5.5 It would also be used by the councils as a meeting space and for things like the Regional Waste meeting, the Landfill User meetings and Area B project management and supervision.

6.0 Material Diversion Opportunity

- 6.1 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 set aside 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.
- 6.2 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 tea room under construction and finished

- 6.3 To ensure the materials are free of asbestos an action plan has been developed by Hawke's Bay Asbestos Services (**Attachment 1**) and approved by the Health and Safety Team.

7.0 Building Cost Estimate

- 7.1 Tims Construction, who constructed the tea room, visited site to assess the materials available and provide an estimate for the construction work. This was based on an 8 x 12 m open plan building, single pitch (lean to) style roof and takes into account the available materials, and came to a cost of \$226,747.02.

- 7.2 This price is just for construction of the education building and we have been given estimates for the additional work for the building design and geotechnical work needed.

Description	Cost
Building Design	\$12,000
Geotech	\$10,000
Consent and Additional Consultant Fees	\$5,000
Construction (rounded up)	\$227,000
Total	\$254,000

- 7.3 It is worth noting that there could be some small additional costs to 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.
- 7.4 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 would help offset operational costs over the life of the building.
- 7.5 The operational and maintenance cost would be budgeted for \$10,000 a year. This would have minimal impact to the overall running cost of the landfill.

8.0 Office Option

- 8.1 The site could be designed to include offices. This is estimated at another \$90,000 worth of work for an extra 40 m² for office space and a small kitchenette. This would have a dramatic effect on the quality of the work environment for the on-site engineers and improve their overall wellbeing in the workplace. It would also provide many benefits having an office space designed for purpose, with the ability to add in improved monitoring equipment.
- 8.2 Portacabins do not provide the comfort that a normal office would and are designed to be used on a temporary basis. They get very hot during the summer time and more extremes in weather being predicted for the future, an office building would provide much better protection for staff and the monitoring equipment they use.
- 8.3 Portacabins have a life expectancy of 20-25 years. This means that within the time filling the next valley at landfill you would need to replace the current portacabin multiple times. The cost of two more portacabins would be approximately \$70,000. Aside from the cost, portacabins are made of polypanels which are a combination of materials that cannot be broken down easily to be reused/recycled and instead create more waste. They are not seen as an environmentally friendly option.
- 8.4 Once the move is made to the next valley the current portacabin could be repurposed to be a tea room nearer to the valley.

9.0 Location

- 9.1 The building would be sited overlooking Area B (the next proposed landfill filling area) and construction of the building would likely commence late 2021. Area B would be actively filling for the following 30-40 years. Further investigation into whether making the building easy to relocate vs its life span and the cost of doing so could be undertaken.

10.0 Funding

- 10.1 Our landfill is a community resource and we are in a unique position of owning our landfill which means we can take action to prevent it filling up too fast and extend the life of the current site for as long as possible. The landfill investing in this building is making an investment in the extension of its life through better community education, and helping conserve the landfill for future generations.
- 10.2 Given that this project will fit within Area B and hopefully extend the lifespan of Area B it can be funded through existing budget from Area B development. Depending on which year we construct it, there is budget in 2021/22 of \$3m or 2022/23 of \$4m.
- 10.3 If Area B does not get consent then the project will be re-considered.
- 10.4 One of the options considered was to fund the project through Waste Levy Funds but this was dismissed as collectively there are funding limitations and these funds are needed for waste minimisation activities that have been identified in the WMMP. If the landfill pays for it as part of Area B then it will be owned and maintained as an asset of the landfill which is a more appropriate way of administering and managing the building.
- 10.5 Both the Hastings District and Napier City Council Waste Minimisation and Solid Waste Operations 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 completing another action that was set in the WMMP.

11.0 Options – Ngā Kōwhiringa

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

- 11.1 Approve the building of an education centre and office at landfill and proceed with the design of the building.

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
- Improve site engineers work environment and wellbeing
- Build a fit for purpose office space with the ability to house better monitoring equipment
- 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, from un-allocated Area B funding

Option Two

- 11.2 Approve the building of an education centre at landfill and proceed with the design of the building.

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, from un-allocated Area B funding

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

11.3 Do not proceed with the building of a Sustainable Education Centre.

Advantages

- No need to create a budget for this work

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.

12.0 Next steps – Te Anga Whakamua

- 12.1 If approval is granted to officers to proceed with the construction of the education building and office up to a value of \$254,000 + \$90,000 + 10%. Should officers identify that construction of the building exceed this value a further report will be presented.

Attachments:

- 1 Omarunui contaminated materials clean up notes SW-7-5-20-140
November 2020 (for proposed education building)
*Confidential in accordance with Section 7 (2) (h)
of the Local Government Official Information and
Meetings Act 1987*

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 as a community that wastes less.

Māori Impact Statement - Te Tauāki 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 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

This would be considered part of Area B and funded through existing budget for Area B development. Depending on which year we construct it, there is budget in 2021/22 of \$3m or 2022/23 \$4m.

Significance and Engagement - Te Hiranga me te Tūhonotanga

This 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

Not required. All required regulatory consents will be applied for.

Risks

Opportunity: To build a Sustainable Education Centre at landfill.

REWARD – Te Utu	RISK – Te Tūraru
<ul style="list-style-type: none">Lead the way with sustainable procurement/buildingIncreased engagement and better community understanding of what happens to our wasteReduction in waste by visitors to the tourOverall reduction in waste to landfill	<ul style="list-style-type: none">We don't get building consentArea 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-Hāpori*

N/A – not directly impacted.

Friday, 2 September 2022

Item 5

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

Te Rārangi Take

Report to Ōmarunui Refuse Landfill Joint Committee

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

Te Take: **Ōmarunui Joint Landfill Annual Report for the Year Ending 30 June**
Subject: **2022**

1.0 Executive Summary – Te Kaupapa Me Te Whakarāpopototanga

- 1.1 The purpose of this report is to update and inform the Ōmarunui Refuse Landfill Joint Committee on the physical performance aspects of the Ōmarunui Landfill for the 2021/2022 financial year and provide a commentary on other significant events and impacts.

2.0 Recommendations – Ngā Tūtohunga

- A) That the Ōmarunui Refuse Landfill Joint Committee receives the report titled Ōmarunui Joint Landfill Annual Report for the Year Ending 30 June 2022.
- B) That the Committee receives the unaudited Ōmarunui Joint Landfill Financial Statement for the year ended 30 June 2022 and attached as Appendix 1 (CG-16-75).

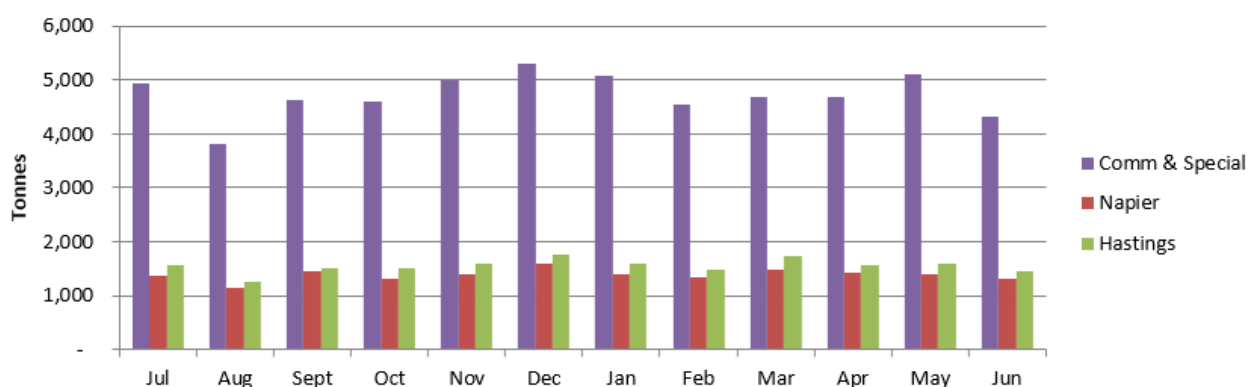
3.0 Tonnages and Finance

- 3.1 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:

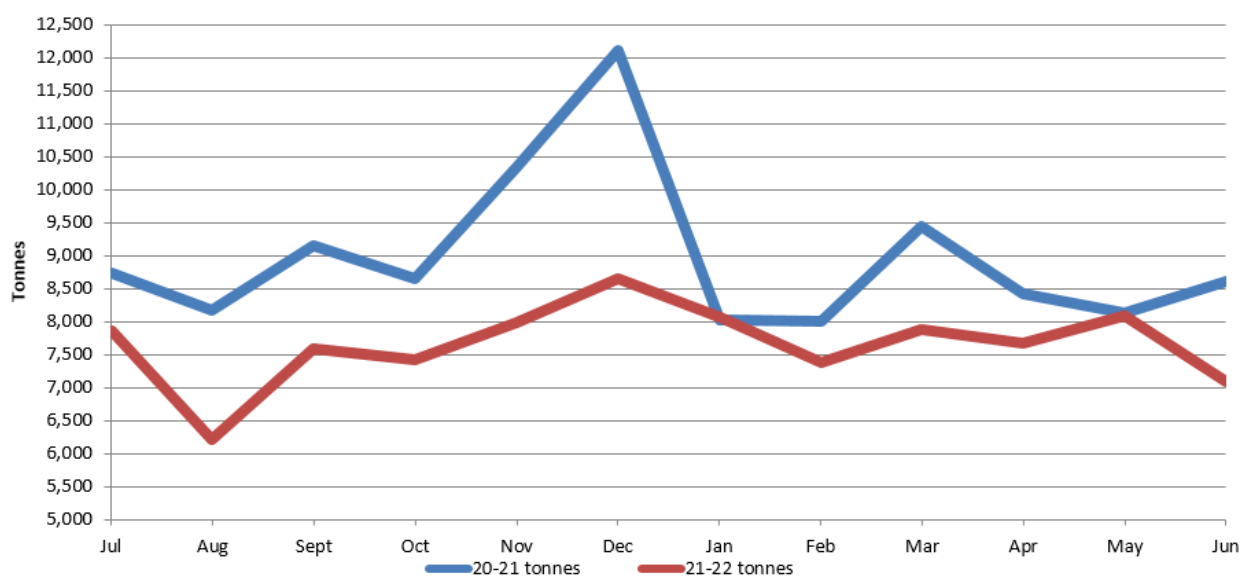
	2020/21 Actual (Tonnes)	2021/22 actual (tonnes)	2021/22 estimated (tonnes)
Commercial	43,969	42,316	39,000
Special	25,302	14,388	17,000
HDC	18,917	18,606	20,000
NCC	19,604	16,593	17,000
Total	107,792	91,903	93,000

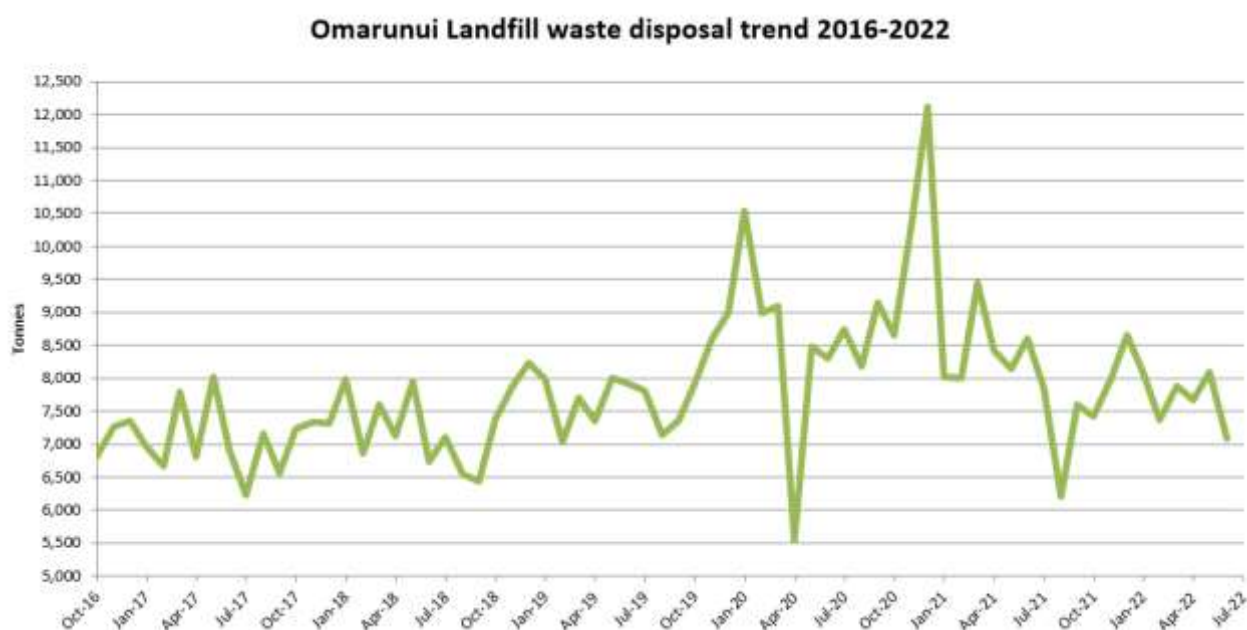
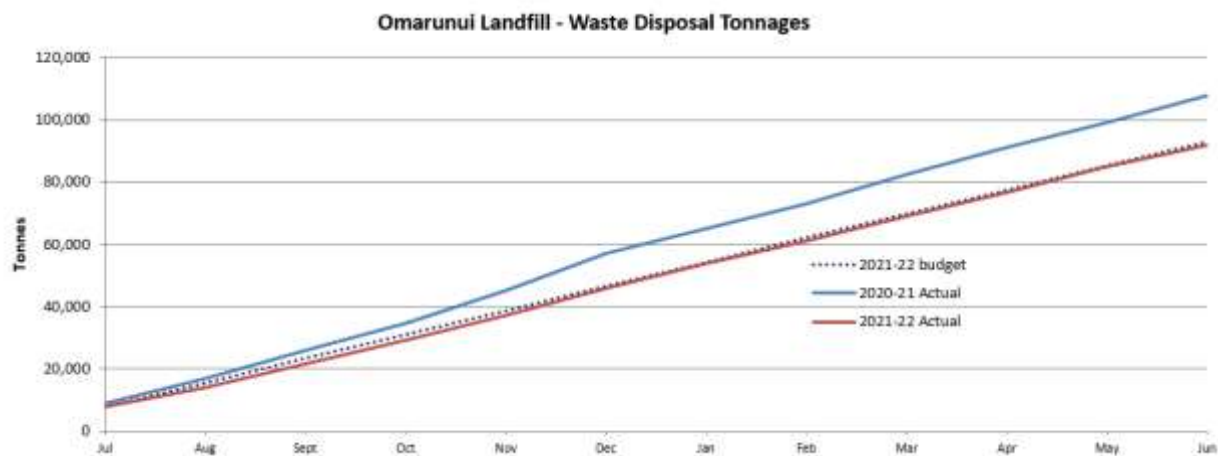
- 3.2 The overall tonnage is 1.2% lower than estimate, with Napier City 2.4% below estimate, Hastings District 7% below estimate, commercial 8.5% above estimate and special 15.4% below estimate.
- 3.3 Overall tonnages are 14.7% lower compared with last year's tonnages. Napier City has decreased 15.4%, Hastings District a 1.6% decrease, commercial a 3.8% decrease and special a 43.1% increase.
- 3.4 The category "Commercial" includes all waste brought directly into the landfill by private waste operators and excludes transfer station waste.

Landfill actual tonnages by month



Omarunui Landfill - Tonnages by Month





- 3.5 The Landfill reported a surplus of \$3,175,521 for the financial year ended 30 June 2022. This is supported by the Ōmarunui Landfill Joint Committee Financial Statements for the year ended 30 June 2022 (**Attachment 1**). The financial statements have not been audited by Audit NZ yet, this is scheduled for late October. The surplus of \$3,175,521 was \$608,497 below budget and is summarised as follows:

2020/21 Actual	Financial Position	2021/22 Actual	2021/22 Budget	2021/22 Variance	% Variation
14,033,585	Total Revenue	14,825,895	15,373,222	(547,328)	-3.6%
10,185,119	Total Expenditure	11,655,618	11,589,204	66,413	0.6%
3,848,466	Surplus before adjustments	3,170,277	3,784,018	(613,741)	-16.2%

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

EXPENDITURE	Actual \$	Budgeted \$	Variance \$	Variation
Maintenance - Landfill	1,273,449	773,420	500,028	64.7%
Other refuse disposal	1,019,839	830,866	188,972	22.7%
External plant hire	792,045	600,000	192,045	32%
External plant hire escalations	0	50,000	(50,000)	-100%
Leachate Treatment/Disposal	403,342	109,161	294,181	269.5%
Kiosk Charges	24,834	38,300	(13,466)	-35.2%
Ground & Surface Water Testing	103,262	39,080	64,182	164.2%
Gas to Energy	0	1,000	(1,000)	-100%
Farm operations	11,504	3,682	7,821	212.4%
Rates	19,631	23,400	(3,769)	-16.1%
Overheads - Administrative	20,749	500	20,249	4049.8%
Depreciation	1,767,923	1,679,795	88,128	5.2%
Total	5,436,578	4,149,204	1,287,374	31%

*Excludes revaluation, waste levy and ETS

4.0 Maintenance

- 4.1 Actual maintenance costs were in line with the previous year's actual expenditure, however on both occasions the amount spent was well above budget. While there were a few one off maintenance projects that added additional costs, it appears that as the site has grown the maintenance budget has not kept pace and will need to be revised in future forecasts.

5.0 Refuse Disposal

- 5.1 While above the budgeted value, refuse disposal costs were down \$40,718 on the 2020/21 actual cost. This was partly due to lower tonnes versus last year.

6.0 External Plant Hire

- 6.1 External plant hire is \$315,963 lower than in the 2020/21 year. However this was still higher than budgeted for and is the result of additional machinery being used at the site and the operation of the new tipping zone on top of Area A.

7.0 Landfill Compactor

- 7.1 The new waste compactor is now operating on the tip face. As part of the commissioning process staff operating the compactor received training from the machines supplier (Terra Cat NZ). The old compactor is now being used as a backup to the new machine. At times both compactors will work together at the tip face when the situation warrants it.

8.0 Leachate Treatment

- 8.1 Leachate treatment/disposal costs were higher than last year by \$309,652 and over budget by \$294,141. The leachate system is working well, however the summer weather conditions were not particularly helpful in assisting with the efficiency of our spray irrigation operations. As a result of this and late summer heavy rain events, leachate was required to be carted off site for treatment and disposal.

9.0 Ground & Surface Water Testing

- 9.1 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 and Water Testing Hawke's Bay. Costs were higher than budgeted for due to the miss-coding of work carried out on the relocation and establishment of water storage tanks at the site. This error still requires correction.

10.0 Revenue

- 10.1 Total revenue was 3.6% down on budget, many due to lower volumes. Revenue* details are as follows:

REVENUE	Actual \$	Budgeted \$	Variance \$	Variation
Commercial Operations	5,545,855	4,902,000	643,855	13.1%
Hastings District	1,594,071	1,520,000	74,071	4.9%
Napier City	1,266,197	1,290,000	(23,803)	-1.8%
Other Revenue (sale of gas)	79,825	26,045	53,779	206.5%
Rentals (Farm)	10,909	9,177	1,732	18.9%
Leachate & Tyre development	183,810	186,000	(2,190)	-1.2%
Total	8,680,667	7,933,222	747,445	9.4%

*Excludes waste levy, ETS and interest on funds

11.0 Current Development and Development Expenditure

- 11.1 The development costs for the Ōmarunui Landfill for the 2021/2022 year were as follows:

Actual \$	Budget \$	Variance \$	Variation %
\$3,007,842	\$11,660,735	\$8,652,893	74.2%

- 11.2 Development costs incurred during the 2021/22 year principally related to the completion of construction work on a section of earth liner work in Area D. Overall the development budget was well under spent due to the delay in completing Area D liner extensions and the reprogramming of Area B construction to the 2022/23 year. The Area D development work has been delayed due to the lack of available clay liner material. Suitable material has now been located off site and liner

work will recommence in the 2022/23 year. Development funds not spent are carried forward to the next financial year.

12.0 Future Development Work – Area B

- 12.1 The resource consent applications to extend the landfill into Area B were lodged prior to Christmas 2019. However due to the length of time required to process the application and supply additional information, combined with Covid-19 related delays, a resource consent hearing was not held until 1st of November 2021. The hearing ran for two days and involved the HDC, HBRC, the applicant (the landfill), submitters (for and against) and expert witnesses working on behalf of their clients. Due to ongoing Covid-19 travel and meeting restrictions at that time, the hearing was conducted remotely by way of Zoom (audio visual platform). As a number of people involved with the hearing were based in Auckland and were unable to travel to Hawke's Bay this was the only way they could participate.
- 12.2 The landfill required new resource consents so that it could extend into Area B of the site. This space is required so that waste can continue to be received beyond 2025. The current filling area (Area D) will be full by 2025.
- 12.3 In December 2021, a decision on the outcome of this meeting was given in favour of granting the consents. Appeals on the hearing decision were required to be lodged by 19th January 2022. No appeals were received and the resource consents have since been formalised.
- 12.4 More recently development work on Area B has included the tendering of a landscaping contract, groundwater testing and more detailed design work. The value of work being carried out in Area B over the next few years will be substantial, however these costs have been planned and budgeted for.

13.0 Proposed Education Centre and Office

- 13.1 Another project associated with the Area B development involves the construction of an education centre and office that will overlook the new landfilling area.
- 13.2 An update on this project is the subject of a separate report to the committee.

14.0 Plant Management Contract

- 14.1 The landfill's plant management contract finished on 30 June 2021. A new contract was tendered and awarded to M W Lissette Ltd. The new contract started on 1 July 2021 and has a term of 4 years with three possible extensions of one year each.

15.0 Waste Levy

- 15.1 The waste levy was collected at a rate of \$20 per tonne during the 2021/22 year, however this increased to \$30 per tonne for the 2022/23 financial year (starting 1st July 2022). The NZ Government is increasing the levy to \$60 per tonne over a 4 year period. The remaining rate increases that will be charged at the landfill gate over the next few years are as follows:
 - 1st July 2022 = \$30 per tonne (current year)
 - 1st July 2023 = \$50 per tonne
 - 1st July 2024 = \$60 per tonne
- 15.2 Information regarding the Government's decision on the increased levy charges has been passed onto landfill customers.

16.0 Emissions Trading Scheme (Waste)

- 16.1 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 Ōmarunui Joint Refuse Landfill Committee.
- 16.2 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 for the landfill. The current ETS charge at Ōmarunui is set at \$35 per tonne but is likely to increase in the future.
- 16.3 The ETS is the subject of a separate report to the committee.

17.0 Landfill Gas

- 17.1 The landfill continues to capture and destroy landfill gas. As the site grows the capture network is extended. Additional vertical gas wells are planned for the site over the next two to three years in order to keep pace with the rate of filling. 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 gas to energy plant with more gas to process. Any excess gas is flared off. Improvements and maintenance work has also been carried out on sections of the gas pipe network that connects the wells to the flare and plant.
- 17.2 During the reporting period maintenance work was carried out on the gas flare. Further maintenance work is planned, however this work will be coordinated with the gas to energy plant to ensure that landfill gas will be dealt by at least one of the two destruction methods on site.
- 17.3 Recently the gas to energy plant was shut down for repairs, however it is now operating again. While the gas to energy plant was being repaired the flare acted as the prime method of destroying landfill gas.
- 17.4 The need to install a second flare and/or engine is increasing as more gas is captured at the site. Discussions are currently underway with LMS Ltd (owner and operator of the gas to energy plant) to install a second flare and/or engine in the near future.

18.0 Leachate & Tyres

- 18.1 The landfill has been collecting \$1 per tonne to generate a reserve to directly fund the development of a more permanent irrigation system and any costs relating to emergency offsite disposal situations. The balance of the leachate reserve as at 30 June 2022 was \$413,502. The reserve also funded remediation work on the leachate system.
- 18.2 A tyre reserve was started in 2017/18 and this has a balance in the reserve as at 30 June 2022 was \$374,911. 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.

19.0 Landfill Disposal Cost

- 19.1 The full disposal charge rate for general waste in the 2021/22 year was \$142 (ex GST) per tonne. This included the waste levy charge of \$20 and an ETS charge of \$46 per tonne. The full disposal charge rate for general waste in the current 2022/23 year is \$145 per tonne (ex GST). This includes the waste levy charge of \$30 and an ETS charge of \$35 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.

- 19.2 As the landfill has had to deal with significant operational and Health & Safety matters due to the increased dumping of skins/pelts and increased hydrogen sulphide levels in the tipping zone, the charge rate for certain special wastes was increased. This resulted in skins/pelts, chromium waste, hydrogen sulphide contaminated waste and other similar wastes being charged at \$300 per tonne (GST exclusive) for the 2021/22 year and increased to \$310 per tonne (GST exclusive) for the 2022/23 year.

20.0 Operations

- 20.1 During the course of the year the landfill managed to keep the tip area to a relatively small size for much of the time. Due to the delay in lining Stage 3 and 4 of Area D the landfill is limited to where it can place waste and therefore doesn't have the flexibility to be as efficient as it would like.
- 20.2 In terms of compaction the new compactor should improve the overall compaction rate of waste being received at the site. By retaining the old compactor as a backup machine, the site has created greater operational resilience that will ensure appropriate placement and compaction of waste. This is also enhanced by the use of electronic software in the compactor that assists the operator with compaction and final rubbish level guidance information.
- 20.3 Operations at the landfill were temporarily paused on the afternoons of Tuesday, 14 June and Wednesday, 15 June (2 hours on each occasion) due to high winds that made the site unsafe and created a litter problem. While the site was closed most landfill destined waste was diverted to the HDC and NCC refuse transfer stations. Other than on those occasions, the landfill was open 100% of its scheduled opening hours during the course of the year. The landfill continues to open on Saturday mornings and will continue to do so while the number of loads received warrant it.

21.0 Skins/Pelts/Fleshings/Tannery Waste

- 21.1 The landfill continues to receive tannery waste that includes skins, pelts, fleshings and chromate sludge. Odour and airborne contaminants such as hydrogen sulphide and ammonia, continue to be something staff need to deal with. To gain more information on the matter, independent air quality specialists have been engaged to undertake testing at the site. This has been previously undertaken, however it is something the landfill will need to carry out on a regular basis so that the extent of the issue can be monitored and managed.
- 21.2 Measures to manage and control the acceptance of these materials in the first instance have been introduced (as previously reported to the committee) and include limiting the amount of material coming in each day and the introduction of higher charge rates to reflect the extra costs associated with the management and impact of this waste stream.
- 21.3 In terms of protecting staff, customers, neighbours and the environment other measures have been, and are being introduced. These include the use of personal gas monitors, the logging and monitoring of data from the personal monitors, the use of respirators by staff and contractors, and the requirement that all machinery working in the tip area have cabins with air filtration systems installed. Due to the high concentration of certain contaminants, the use of respirators by machine operators will still be required in cabins that have not been retro fitted with higher quality air filtration systems. Fixed position air quality monitoring stations are also to be installed at a number of locations at the landfill. While exact positions are still to be decided upon, locations are likely to include the tip area and points along the property boundary.
- 21.4 Since the last air quality tests were carried out at the landfill both compactors have been retro fitted with the best available air filtration systems. This is now giving the operators a safer working environment inside their cabins. The effectiveness of these systems continues to be monitored.
- 21.5 While consideration of banning tannery waste is a possibility the landfill is trying to see how it can safely operate by mitigating all the negative impacts and therefore continue to accept this waste stream, albeit under controlled conditions. During the course of the year the volume of this waste

did decrease and was partly responsible for the drop in Special Waste from 25,302 tonnes in 2020/21 to 14,388 tonnes in 2021/22. This decrease was certainly appreciated by the landfill.

22.0 Opening Hours

- 22.1 The landfill continues to open Monday to Friday and a half day on Saturday (morning). As previously reported to the committee the landfill continues to close between 12:30pm and 1:00pm on the week days so that the kiosk operator can have their unpaid half hour break.
- 22.2 The effectiveness of the mid-day break continues to be monitored along with any problems it may cause landfill customers.

23.0 Health & Safety

- 23.1 The Ōmarunui 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"***.
- 23.2 Additional Health & Safety information, and matters relating to the performance of the landfill over the course of the 2021/22 year, are the subject of a separate report to this committee.

24.0 ISO 9001 – Quality Assurance

- 24.1 The quality management certification of the landfill is part of the Hastings District Council Asset Management certification.
- 24.2 The Asset Management quality system was externally audited for certification on the 8th – 10th of February 2022 by Billy Little of Telarc SAI. The new "AS/NZS ISO 9001 Standard" certificate now has an expiry date of 20 March 2025.

25.0 Resource Consent Compliance

- 25.1 The Ōmarunui Landfill was previously graded as Fully Compliant for all resource consents in the 1st July 2019 to 31st October 2020 reporting period. In the latest 1st November 2020 to 31st October 2021 reporting period the landfill was graded as Fully Compliant for two of its four consents with the other two receiving a low risk non-compliance and moderate non-compliance respectively. The moderate non-compliance related to an odour complaint that was upheld by the HBRC and resulted in a fine for the landfill. As this particular odour complaint fell in the landfill's 2020/21 operating year it was reported in the previous annual report and brought to the attention of the committee at the time.
- 25.2 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.

26.0 Complaints

- 26.1 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, insecure truck loads and litter blown from the site.
- 26.2 In total eight complaints were received during the reporting period of the 1st July 2021 to 30th June 2022. Of these seven were from the public, they comprised of one for windblown litter, two for truck noise, two for odour and two concerned a blocked culvert on the landfill driveway.

- 26.3 In the case of windblown litter it was immediately gathered and the complainant was pleased with the response.
- 26.4 Of the two complaints received about truck noise one was found not to have any connection to the landfill, however the second one did. The waste operator concerned was asked not to use their engine brakes while travelling on Ōmarunui Rd.
- 26.5 The drop from 8 to 2 for odour complaints is pleasing although managing odour is something a landfill needs to continually work hard at managing and controlling. The two odour complaints received were dealt with by landfill staff without escalation to the HBRC.
- 26.6 In the case of the block culvert, debris was removed from the inlet by an excavator on each occasion. This culvert is scheduled to be replaced later this year.
- 26.7 The one customer complaint received was actually a request for more information about the threshold for closing the landfill in high wind events. This customer's truck was damaged just prior to the site closing for high winds. This incident highlighted the need to close the tipping area in certain wind strengths. The current tipping area is quite exposed to wind, however this will not always be the case when it is moved into the new areas we are developing in Area D.

27.0 Covid-19

- 27.1 During the course of the 2021/22 financial year there were no Covid-19 level 3 or 4 lock downs. As a result no direct, or significant, Covid-19 related interruptions of the waste stream occurred.

28.0 Landfill Committee Representation and Heads of Agreement

- 28.1 The Ōmarunui Landfill operates under a Heads of Agreement (HOA) between HDC and NCC. This HOA currently allows for the representation of four HDC and two NCC Councillors on the Ōmarunui Joint Refuse Landfill Committee. This ratio of NCC and HDC councillors is reflective of the ownership percentage each council holds in the facility.
- 28.2 During the process of obtaining new resource consents to continue landfilling at Ōmarunui (Area B of the site), a relationship with the Ngāti Parau hapu was formed to answer and address the concerns that the hapu had about the landfill site and its operation. As a result of this relationship, the matter of representation on the landfill committee was raised. This was also something discussed by the hearing commissioners and referenced through the later stages of the resource consent application process. Officers are working through the necessary requirements to enable the opportunity for a full role on the landfill committee.

29.0 Proposed Government Changes

- 29.1 On Sunday 13 March, the Ministry for the Environment announced its "Transforming Recycling" proposal and the consultation period for submissions. Key aspects of the proposal include the following items:
- Container Return Scheme
 - Improvements to household kerbside recycling (including food waste and reporting)
 - The separation of business food waste.
 - National reporting requirements
 - Proposed Duty of Care Model
- 29.2 Other elements of the proposed changes will potentially have a significant impact on the landfill and on what waste streams are redirected away from landfill disposal in NZ. With this in mind, a

review by Council staff on the acceptance and categorisation of different wastes is currently on hold pending Government direction on the matter.

30.0 Staffing

- 30.1 Staff turnover at the landfill has traditionally been minimal, however it is with sadness that I advise the committee of Phil Doolan's resignation and departure from his position as Solid Waste Engineer. Chris Morgan (previously the landfill's Solid Waste Operations Supervisor) has taken up Phil's position as Acting Solid Waste Engineer for the interim period.
- 30.2 There have been two other staff resignations during the course of the year and two vacancies remain at the time of writing this report.

31.0 Concluding Comments

- 31.1 In what has been another challenging year for the landfill the two most significant points of note are the decrease in waste tonnages and the granting of new consents to continue landfilling at Ōmarunui beyond 2025 in Area B of the site. The extension will enable the site to receive waste for another 30 years at current filling rates.
- 31.2 The amount of waste coming to the landfill dropped from 107,792 tonnes in 2020/21 to 91,903 tonnes in 2021/22. This represents a decrease of 15,889 tonnes or 14.7% between those two years. There appears to be no one reason for the decrease, however charge rates for waste disposal have continued to increase and waste producers are more likely than ever to look at alternatives to landfill. Of particular note there has been a significant decrease in special waste which reverses the upward trend in this waste type. While there appears to be slightly less domestic and green waste, more will be known about these waste streams once the results of the recent three yearly Solid Waste Analysis Protocol (SWAP) survey are received.
- 31.3 The issue of air-quality at the tip face continues to be monitored and tested so that the work environment can be understood and safely managed.
- 31.4 The next few years will continue to be challenging ones for the landfill as the final stages of Area D are constructed and work commences on the Area B extension. Of real concern is the lack of clay material available at the landfill and in the surrounding area. This material is required in the construction of earth liners at the landfill and is now being sourced from other sites in the region. This slows work down and adds cost to any new construction work at the site.
- 31.5 Proposed central government changes and initiatives, will have an impact on the landfill. As more "waste" is diverted away from the landfill and the overall composition of the waste stream changes the landfill will need to make operational changes. In terms of the increasing taxes that now apply to landfill waste, it is likely that in 2023 the collective cost of the Waste Levy and ETS will amount to more than the cost of operating the site, and that is before GST is applied. To avoid the higher charge rates waste producers will need to seriously consider limiting the amount of waste they produce in the first instance or have other sustainable options for it rather than the landfill.

Attachments:

- 1 [↓](#) Ōmarunui Landfill Joint Committee Financial Statements for the year ended 30th June 2022 CG-16-75

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*

Reporting on an activity that helps create an environment that is appreciated, protected and sustained for future generations.

Māori Impact Statement - *Te Tauākī Kaupapa Māori*

No implications.

Sustainability - *Te Toitūtanga*

Reporting on an activity that deals with the safe disposal of residual waste. This information is for use in understanding the wider issue of sustainability within the Hawke's Bay region.

Financial considerations - *Ngā Whakaarohanga Ahumoni*

End of year financial information is presented in this report. Variances from budget and expected financial outcomes are explained.

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 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

**OMARUNUI LANDFILL JOINT COMMITTEE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

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**OMARUNUI LANDFILL JOINT COMMITTEE
 STATEMENT OF FINANCIAL PERFORMANCE
 FOR THE PERIOD ENDING 30 JUNE 2022**

2020/21 ACTUAL \$	NOTES	2021/22 ACTUAL \$	2021/22 BUDGET \$	2021/22 VARIANCE \$
REVENUE				
2,882,466	Local Authorities	2,860,268	2,810,000	50,268
5,750,818	Commercial Operations	5,545,855	4,902,000	643,855
20,293	Other	70,995	1,045	69,949
31,567	Sale of gas	8,830	25,000	(16,170)
9,177	Rentals (Farm)	10,909	9,177	1,732
20,097	Interest on funds	79,495	-	79,495
107,792	Leachate Development (i)	91,905	93,000	(1,095)
107,792	Waste Tyre Processing (i)	91,905	93,000	(1,095)
1,077,925	Waste Levy \$10/t & \$20/t (ii)	1,838,101	1,860,000	(21,899)
4,025,658	ETS \$36/t & \$46/t (iii)	4,227,632	5,580,000	(1,352,368)
14,033,585	Total Revenue	14,825,895	15,373,222	(547,328)
EXPENDITURE				
1,101,630	Maintenance - Landfill	1,273,449	773,420	500,028
1,060,557	Other refuse disposal	1,019,839	830,866	188,972
1,108,008	External plant hire	792,045	600,000	192,045
118,620	External plant hire escalations	-	50,000	(50,000)
93,690	Leachate Treatment/Disposal	403,342	109,161	294,181
19,133	Kiosk Charges	24,834	38,300	(13,466)
23,371	Ground & Surface Water Testing	103,262	39,080	64,182
-	- Gas to Energy	-	1,000	(1,000)
-	- Revaluation Decrement	-	-	-
10,709	Farm operations	11,504	3,682	7,821
18,098	Rates	19,631	23,400	(3,769)
21,859	Overheads - Administrative (iv)	20,749	500	20,249
1,535,755	Depreciation	1,767,923	1,679,795	88,128
1,048,031	Waste Levy \$10/t & \$20/t (ii)	1,991,408	1,860,000	131,408
4,025,658	ETS \$36/t & \$46/t (iii)	4,227,632	5,580,000	(1,352,368)
10,185,119	Total Expenditure	11,655,618	11,589,204	66,413
Reverse: Landfill Forest				
3,848,466	SURPLUS BEFORE ADJUSTMENTS	3,170,277	3,784,018	(613,741)
(142,472)	Aftercare - Valley A	(707,454)		
16,077	Aftercare - Valley D	(188,418)		
(740,443)	Emissions Trading Scheme	(529,922)		
3,234,418	SURPLUS	3,536,227		
(73,831)	Transfer to/(from) reserves - Plant fund 1	(893,099)		
-	- Transfer to/(from) reserves - Property fund 2	-		
138,646	Transfer to/(from) reserves - Aftercare costs 3	164,203		
109,422	Transfer to/(from) reserves - Leachate 4	98,352		
107,792	Transfer to/(from) reserves - Tyre 5	91,905		
-	- Transfer to/(from) reserves - Forest Replant 6	-		
2,952,387	Surplus transferred to accumulated balance 9	4,074,866		
3,234,417	SURPLUS	3,536,227		

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 in 2020/21 and \$20T in 2021/22

(iii) ETS levy has been collected since January 2013. Current financial year is \$46/T, last year \$36/T

(iv) The overhead costs have been agreed with NCC at budget time

(v) The adjustment to the present value of the aftercare provision. This adjustment takes into account future cashflows, landfill fullness and all costs associated with landfill post closure

**OMARUNUI LANDFILL JOINT COMMITTEE
 STATEMENT OF FINANCIAL POSITION
 FOR THE PERIOD ENDING 30 JUNE 2022**

2020/21		Note	2021/22	2021/22	2021/22
Total			Total	HDC Share	NCC Share
100%			100%	63.68%	36.32%
INVESTMENTS					
2,664,166	Plant Replacement Reserve	1	1,771,067	1,127,816	643,252
-	Property Reserve	2	-	-	-
2,657,181	Aftercare Reserve	3	2,821,384	1,796,657	1,024,727
315,150	Leachate Development Reserve	4	413,502	263,318	150,184
283,006	Tyre Reserve	5	374,911	238,743	136,168
56,982	Forest Replant Reserve	6	56,982	36,286	20,696
93,442	Forestry	8	93,442	59,504	33,938
<u>6,069,927</u>			<u>5,531,287</u>	<u>3,522,324</u>	<u>2,008,963</u>
FIXED ASSETS					
10,398,355	Landfill assets		12,764,082	8,128,167	4,635,914
\$ 16,468,282	Total assets		\$ 18,295,369	\$ 11,650,491	\$ 6,644,878
PROVISIONS					
1,945,294	Aftercare Provision		1,049,423	668,273	381,151
<u>1,945,294</u>			<u>1,049,423</u>	<u>668,273</u>	<u>381,151</u>
1,652,373	ETS Provision		2,182,294	1,389,685	792,609
<u>1,652,373</u>			<u>2,182,294</u>	<u>1,389,685</u>	<u>792,609</u>
RATEPAYER EQUITY					
6,874,485	Accumulated Balance	9	9,606,161	6,117,203	3,488,958
5,996,130	Reserves	10	5,457,491	3,475,330	1,982,161
<u>12,870,615</u>			<u>15,063,652</u>	<u>9,592,534</u>	<u>\$ 5,471,119</u>
\$ 16,468,282	Total funds employed		\$ 18,295,370	\$ 11,650,491	\$ 6,644,878

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

**OMARUNUI LANDFILL JOINT COMMITTEE
 STATEMENT OF MOVEMENTS IN EQUITY
 FOR THE PERIOD ENDING 30 JUNE 2022**

2020/21 Total	Note	2021/22 Total
12,241,645	Equity at the start of the period	12,870,615
19,646	Plus Revaluation Reserve	-
3,234,417	Net Surplus for the period	3,536,227
3,234,417	Total Recognised Revenues and Expenses for the Period	3,536,227
<u>Distributions to Owners</u>		
(953,434)	Napier City Council	(487,846)
(1,671,659)	Hastings District Council	(855,343)
\$ 12,870,615	Equity at the end of the Period	\$ 15,063,653
<u>Components of Equity</u>		
6,874,485	Accumulated Balance	9,606,161
5,996,130	Reserves	5,457,491
\$ 12,870,614		\$ 15,063,652

**OMARUNUI LANDFILL JOINT COMMITTEE
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 30 JUNE 2022**

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 2022 the on-going aftercare costs of this valley will be \$19,915 per annum for 14 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 \$16,085 per annum for 30 years.

Operating Surpluses

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

Changes in Accounting Policies

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

Notes to Financial Statements

2020/21 Total 100%		Note	2021/22 Total 100%	2021/22 HDC Share 63.68%	2021/22 NCC Share 36.32%
PLANT REPLACEMENT RESERVE					
2,737,997	Balance at beginning of year	1	2,664,166	1,696,541	967,625
(83,651)	Transfer to/from reserves		(931,944)	(593,462)	(338,482)
9,820	Interest		38,846	24,737	14,109
<u>\$ 2,664,166</u>	Balance at end of year		<u>\$ 1,771,067</u>	<u>1,127,816</u>	<u>643,252</u>
PROPERTY RESERVE					
-	Balance at beginning of year	2	-	-	-
-	Interest		-	-	-
	Transfer to/from reserves - forestry			-	-
<u>\$ -</u>	Balance at end of year		<u>\$ -</u>	<u>-</u>	<u>-</u>
AFTERCARE RESERVE					
2,518,535	Balance at beginning of year	3	2,657,181	1,692,093	965,088
8,647	Interest		34,203	21,780	12,422
130,000	Transfer to/from reserves		130,000	82,784	47,216
<u>\$ 2,657,181</u>	Balance at end of year		<u>\$ 2,821,384</u>	<u>1,796,657</u>	<u>1,024,727</u>
LEACHATE RESERVE					
205,728	Balance at beginning of year	4	315,150	200,688	114,462
1,630	Interest		6,447	4,105	2,341
107,792	Transfer to/from reserves		91,905	58,525	33,380
<u>\$ 315,150</u>	Balance at end of year		<u>\$ 413,502</u>	<u>263,318</u>	<u>150,184</u>
TYRE RESERVE					
175,213	Balance at beginning of year	5	283,006	180,218	102,787.72
-	Interest		-	-	-
107,792	Transfer to/from reserves		91,905	58,525	33,380
<u>\$ 283,006</u>	Balance at end of year		<u>\$ 374,911</u>	<u>238,743</u>	<u>136,168</u>
FOREST REPLANT RESERVE					
56,982	Balance at beginning of year	6	56,982	36,286	20,696
-	Interest		-	-	-
-	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					
	Balance at beginning of year	7	19,646	12,510	7,135
19,646	Transfer to/from reserves		-	-	-
<u>\$ 19,646</u>	Balance at end of year		<u>\$ 19,646</u>	<u>12,510</u>	<u>7,135</u>
FORESTRY					
<u>\$ 93,442</u>	Accumulated costs to date	8	<u>\$ 93,442</u>	<u>59,504</u>	<u>33,938</u>

Costs comprised as follows:

Consultants
 Insurance
 Management

	Rates			
\$	-	\$	-	
	ACCUMULATED BALANCE	9		
6,547,191	Balance at beginning of year	6,874,485	4,377,672	2,496,813
2,952,387	Surplus for year	4,074,866	2,594,875	1,479,991
9,499,578		10,949,351	6,972,546	3,976,804
2,625,093	Distributions	1,343,189	855,343	487,846
\$ 6,874,485	Balance at end of year	\$ 9,606,161	6,117,203	3,488,958
	RESERVES	10		
2,664,166	Plant Replacement Reserve (note 1)	1,771,067	1,127,816	643,252
-	Property Reserve (note 2)	-	-	-
2,657,181	Aftercare Reserve (note 3)	2,821,384	1,796,657	1,024,727
315,150	Leachate Reserve (note 4)	413,502	263,318	150,184
283,006	Tyre Reserve (note 5)	374,911	238,743	136,168
56,982	Forest Replant Reserve (note 6)	56,982	36,286	20,696
19,646	Revaluation Reserve (note 7)	19,646	12,510	7,135
\$ 5,996,130	Total Reserves at end of year	\$ 5,457,491	3,475,330	1,982,161

**OMARUNUI LANDFILL JOINT COMMITTEE
 STATEMENT OF CASHFLOWS
 FOR THE PERIOD ENDING 30 JUNE 2022**

2020/21 Total	Note	2021/22 Total
CASHFLOWS FROM OPERATING ACTIVITIES		
<u>Cash was received from:</u>		
5,792,678 Receipts from customers		5,610,827
2,882,466 Receipts from Local Authorities		2,860,268
20,097 Interest Received		79,495
107,792 Leachate Development		91,905
107,792 Waste Tyre Processing		91,905
4,025,656 ETS \$36/t & \$46/t		4,227,632
1,077,925 Waste Levy \$10/t & \$20/t		1,838,101
9,177 Rent Received		10,909
14,023,585		14,811,043
<u>Cash was disbursed to:</u>		
8,636,776 Payments to Suppliers and Employees		9,879,929
8,636,776		9,879,929
Net Cash Inflow from Operating Activities	A	4,931,113
5,386,809		
CASH FLOWS FROM INVESTING ACTIVITIES		
<u>Cash was received from:</u>		
10,000 Sale of Fixed Assets		29,271
<u>Cash was applied to:</u>		
- Valley A Development		
1,995,394 Valley D Development		2,140,896
326,582 Valley B/C Development		866,946
167,709 Purchase of Fixed Assets		1,147,992
Forestry Development		
(73,831) (Increase)/Decrease in Plant Replacement Reserve		(893,099)
(Increase)/Decrease in Property Reserve		
138,646 (Increase)/Decrease in Aftercare Reserve		164,203
107,792 (Increase)/Decrease in Tyre Reserve		91,905
- (Increase)/Decrease in Forest Replant Reserve		-
109,422 (Increase)/Decrease in Leachate Reserve		98,352
2,771,716		3,617,195
Net Cash (Outflow) from Investment Activities	B	(3,587,924)
(2,761,716)		
CASH FLOWS FROM FINANCING ACTIVITIES		
<u>Distribution to Owners:</u>		
(953,434) Napier City Council (36.32%)		(487,846)
(1,671,659) Hastings District Council (63.68%)		(855,343)
Net Cash(Outflow) from Financing Activities	C	(1,343,189)
(2,625,093)		

CLOSING CASH RECONCILIATION

0 Net Increase/(Decrease) in Cash Held	A+B+C	0
0 Add Opening Cash		0
0 Closing Cash Balance		0

Friday, 2 September 2022

Item 6

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

Te Rārangi Take

Report to Ōmarunui 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 Ōmarunui Refuse Landfill Joint Committee on the hedging strategy for carbon emissions at the Ōmarunui 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 Ōmarunui Refuse Landfill Joint Committee receives the report titled Annual Review of Hedging Strategy for Landfill Carbon Emissions.
- B) That the Committee endorse that the forward contract purchase for 107,657 NZU to cover years 2025 and 2026 at an estimated price of \$10,559,548. The Chief Executive of Hastings District Council be authorised to approve the nature of the contract and to execute to execute the necessary contracts.
- C) 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 Ōmarunui 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 Ōmarunui Refuse Landfill Joint Committee approved a hedging strategy to hold forward contracts for NZU's at 100% for the first 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 2021 calendar year. The landfill recorded 96,351 tonnes for 2021, which required 114,657 units to be settled with the Ministry of Environment by 31st May 2022. The landfill had a contract with OMF for 33,320 units and Westpac and for 85,680 units, totalling 119,000 units for a value of \$3,697,711. This left a surplus of 4,343 units which have been added to the balance in our NZU account of 11,900 NZU's, which now totals 16,243 NZU's. Due to the removal of the fixed price option for settlement in 2021, officers recommend enough units to cover 10,000T (9,100 units) be retained for cover should we surpass 100,000 tonnes in any future years where we do not have sufficient contracts to cover our obligation.
- 3.5 The landfill currently holds the following forward contracts

Calendar year	Surrender	Cover	Seller	Buyer	No of NZU's	Price/unit	Cost
2021	May 2022	100%	Westpac/OMF	HDC	119,000	\$31.07	\$3,697,711
2022	May 2023	100%	Westpac/OMF	HDC	119,000	\$33.83	\$4,025,175
2023	May 2024	80%	OMF	HDC	95,200	\$40.00	\$3,808,000
2024	May 2025	60%	OMF	HDC	71,400	\$41.50	\$2,963,100

- 3.6 On the 8th October 2021 the Ministry of Environment advised us that the default factor for the calculations on the number of units the landfill is required to settle each year will change for the 2022 calendar year onwards. It will reduced from 1.19 to 0.91. This means the landfill has over committed to its requirement for 2022, 2023 and 2024 based on 100,000 tonnes. The table below summarises the excess units and relocating them to future years.

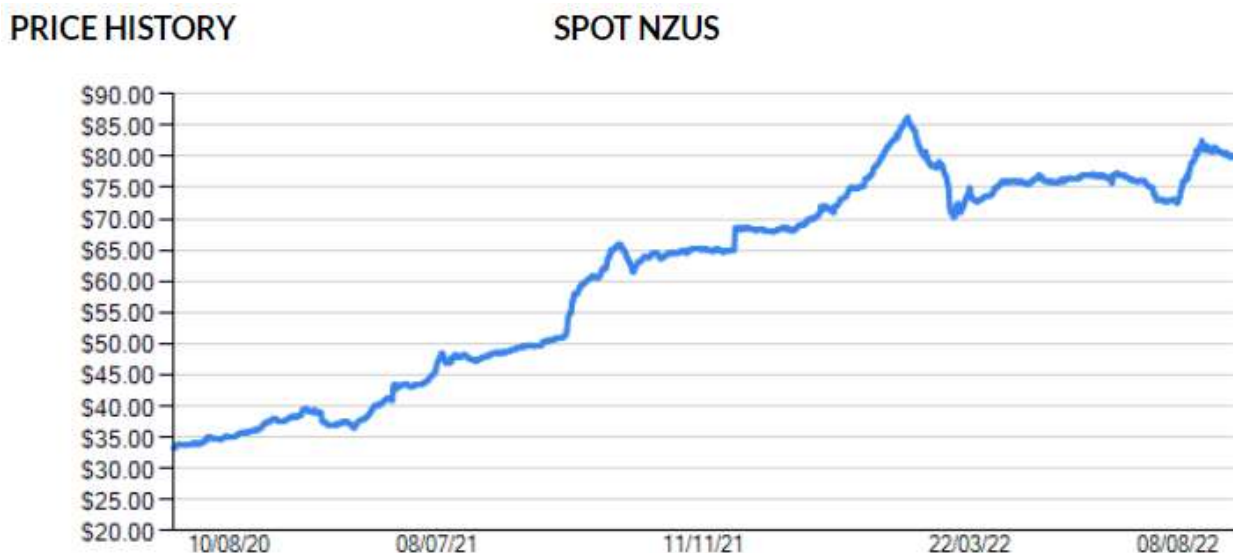
		Opening Balance	16,243
2022	Contract for 119,000 NZU	Based on 100,000T, now require 91,000 NZU	28,000
2023	Contract for 95,200 NZU	Based on 100,000T, now require 91,000 NZU	4,200
2024	Contract for 71,400 NZU	Based on 100,000T, this leaves a shortfall of 19,600	(19,600)
		Balance	28,843

- 3.7 The Landfill forward cover strategy is to have contracts in place for cover of 100% in year's one, two and three, with 80% cover for year four and 60% cover for year five. Based on the table above, the

landfill has an extra 19,743 NZU (28,843 NZU, less the 9,100 NZU as a safety margin) to put towards 2025 requirement.

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			79.85	
NZUs - April 2023			83.32	
NZUs - April 2024			87.92	
NZUs - April 2025			92.77	
NZUs - April 2026			97.87	
NZUs - April 2027			103.25	

- 4.2 Officers have elected to continue with a conservative 100,000T forecast for purchasing of NZU. This is due to the removal of the fixed price option as a backstop for any shortfall. If actual tonnage comes in lower than the contracted amount, the landfill can then elect to sell these on the spot market or retain for future use.

- 4.3 Based on expected tonnage of 100,000T, the following table summarises the volume and estimated price this will cost the landfill.

Calendar year	Surrender	Cover	Seller	Buyer	No of NZU's	Price/NZU	Total Cost
2025	May 2026	80%	OMF/Westpac	HDC	53,057	\$92.77	\$4,922,098
2026	May 2027	60%	OMF/Westpac	HDC	54,600	\$103.25	\$5,637,450
					107,657		\$10,559,548

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 4.3 at a total estimated cost of \$10,559,548.

Advantages

- Provide certainty with setting the annual gate price.

Disadvantages

- None.

Option Two – do nothing - Te Kōwhiringa Tuarua – Te Āhuatanga o nāiane

- 5.2 Cease future contracts 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 approach both Westpac and OMF to ascertain who can secure the better price for the NZU required. Once we have contracts, 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:

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 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

Friday, 2 September 2022

Item 7

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Ōmarunui Refuse Landfill Joint Committee Meeting

Te Rārangi Take

Report to Ōmarunui Refuse Landfill Joint Committee

Nā: Paul McClusky, Health & Safety Partner
From: Jennie Kuzman, Health and Safety Manager

Te Take:
Subject: Health & Safety Update Report


1.0 Executive Summary – *Te Kaupapa Me Te Whakarāpopototanga*

- 1.1 The purpose of this report is to inform and update the Ōmarunui Refuse Landfill Joint Committee about Health and Safety at the Ōmarunui Refuse Landfill.
- 1.2 The Health and Safety at Work Act 2015 (HSWA) requires the elected members of this Joint Committee to exercise due diligence by taking reasonable steps to understand the operations of the Ōmarunui Refuse Landfill and its Health and Safety risks, and to ensure that these Health and Safety risks are managed so that both Hastings District Council and Napier City Council meet their legal obligations.
- 1.3 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 three month period 1 April 2022 – 30 June 2022.
- 1.4 Additionally, Nicholas Browne (Occupational Hygienist) from Air Matters will provide a verbal update to the Committee at the meeting and answer any queries that the Committee may have in relation to the on-going exposure monitoring programme that he has been undertaking at the Ōmarunui Refuse Landfill.

2.0 Recommendations - *Ngā Tūtohunga*

That the Ōmarunui Refuse Landfill Joint Committee receive the report titled Health & Safety Update Report dated 2 September 2022.

Attachments:

- | | | |
|---|--|----------------|
| 1  | Health and Safety Report to Ōmaranui Refuse
Landfill Joint Committee - 1 April 2022 - 30 June
2022 (002) | CG-16-20-00056 |
|---|--|----------------|

**Ōmarunui Refuse Joint Landfill
Committee Health and Safety
Report 2021/2022
1 April 2022 – 30 June 2022**

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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 Ōmarunui Refuse Joint Landfill Committee, and provides leading and lagging indicators in relation to health and safety practices at the Ōmarunui Landfill for period 1 April 2022 to 30 June 2022. This data is presented alongside previous periods for comparison.

1. Health Risk Management

Exposure to Landfill Gases & Particulate:

Mitigations continue to be implemented and followed across the site with regards to landfill gas exposures. Additional hardware that will identify areas where gas monitor alarms are engaged is currently being installed. This is a GPS monitored system attached to the staff member's personal gas detection units and links with their RT device. This should give a more accurate account and site positioning of where the landfill gas exposures are actually occurring. Gas monitor data continues to be downloaded and data disseminated to monitor staff and contractor exposure. Monitoring of the data during the Qtr. 4 period continues to note lower and less frequent exposures, however health exposure to gas levels above the workplace exposure standard acceptable limits are still being recorded.

A follow-up visit to monitor the exposure primarily to the machine operators was conducted in May, it was noted that the machines including the new Cat compactor were not sufficiently providing positive pressure or filtration/absorption for hydrogen sulphide and ammonia to be considered a safe environment for operators without respirators. Actions are underway to upgrade the filtration systems.

2. Exposure to Airborne Bio-aerosols (Bacterial & Fungi):

In-cab filtration was upgraded and installed on the tip face machinery to meet recommendations detailed in the monitoring report. The site contractor is expected to follow suit in the next few months. The wearing of respirators is still an expectation for all staff at the tip face when not working within the confines of either the plant machinery or the cab of vehicles. Operators in machinery that is not fitted with the enhanced filtration systems will also need to wear respirators during operations at the tip face. A reminder has been sent to all operators and customers around the minimum expectations for PPE and the following of the already well-established site rules.

3. Environmental Conditions

An extreme high wind event occurred in mid-June which forced the Landfill to close on Tuesday 14th June from 14:30pm and 3pm on Wednesday 15th June, normal operations resumed on the Thursday. Wind speeds up to and during the closure averaged around 70km/h with gusts of 100km/h being recorded. As we are coming to the end of life with Valley D for rubbish placement we are then closer to the top resulting in more wind activity and severity. A customer vehicle did sustain some damage to its rear hydraulic tipping mechanism. While the landfill is still in operation it is the responsibility of the driver to assess if the weather conditions are safe to operate their tipping and door mechanisms. The tip face operators do not assist in this. These guidelines are clearly stated in the Site induction undertaken by all operators visiting the site.

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Beaufort Force	Description	Wind Speed			
		kts	mph	km/h	m/s
0	Calm	0	0	0	0-0.2
1	Light Air	1-3	1-3	1-6	0.3-1.5
2	Light Breeze	4-6	4-7	7-11	1.6-3.3
3	Gentle Breeze	7-10	8-12	12-19	3.4-5.4
4	Moderate Breeze	11-16	13-18	20-29	5.5-7.9
5	Fresh Breeze	17-21	19-24	30-39	8.0-10.7
6	Strong Breeze	22-27	25-31	40-50	10.8-13.8
7	Near Gale	28-33	32-38	51-62	13.9-17.1
8	Gale	34-40	39-46	63-75	17.2-20.7
9	Strong Gale	41-47	47-54	76-87	20.9-24.4
10	Storm	48-55	55-63	80-102	24.5-28.4
11	Violent Storm	56-63	64-72	103-117	28.5-32.8
12	Hurricane	>63	>72	>117	>32.7

4. Leading Indicators (Proactive Measures)







For the final Quarter quarters of 2021/22 the leading indicators have continued to be consistent with continued focus on safe operations in a Hydrogen Sulphide (H₂S) environment. Concerns around uncontrolled traffic movements made by tip face personnel has seen renewed efforts to control and stamp our authority on traffic movements at the tip face area. A number of new staff have joined the team who will require mentoring and additional training to get them operating at the required level. The Site manager and the site foreman regularly discuss risks at site and how best to manage them utilising the Stop, Look, Assess, Manage tool as well as open discussions to facilitate any concerns with regards to risks and hazards at the site. The main site Contractor now actively engaged in HDC Permit to work programme (Hot Works) this will allow site managers a clearer line of site of high risk activities at the site.

5. Lagging Indicators (Reactive Measures)

For the first two quarters of 2021/22 the lagging indicators have improved compared with the previous period, due to the return to normal operations post COVID-19-19 restrictions on activities. Quarter 4 as shown a marginal improvement over the period. Table C1.4 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 Hazardous Substances. Table C2.1 An analysis of incidents during the three month period from 01 April 2022, shows that vehicles, plant and mobile equipment continue to be the main hazard/risk classifications during the period.

6. LEADING INDICATORS

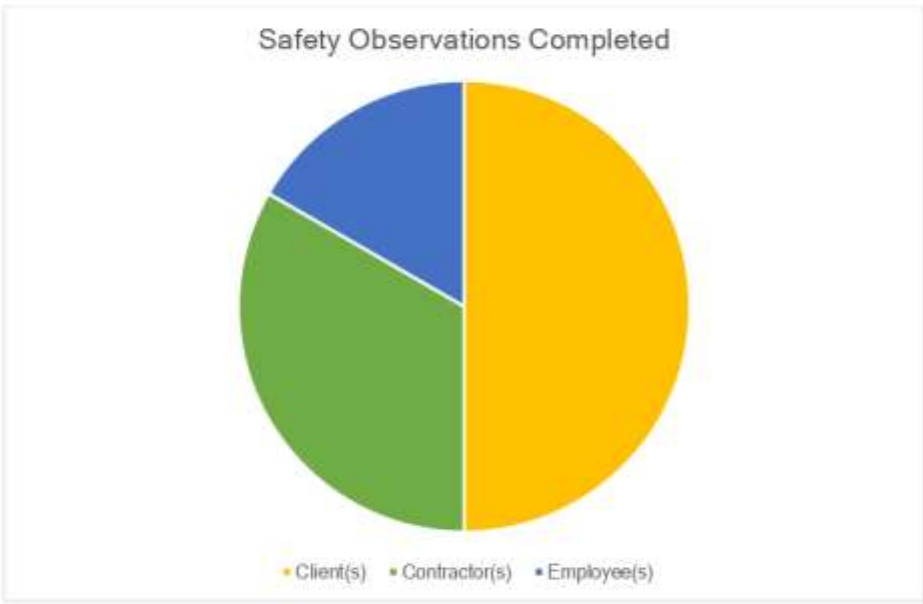
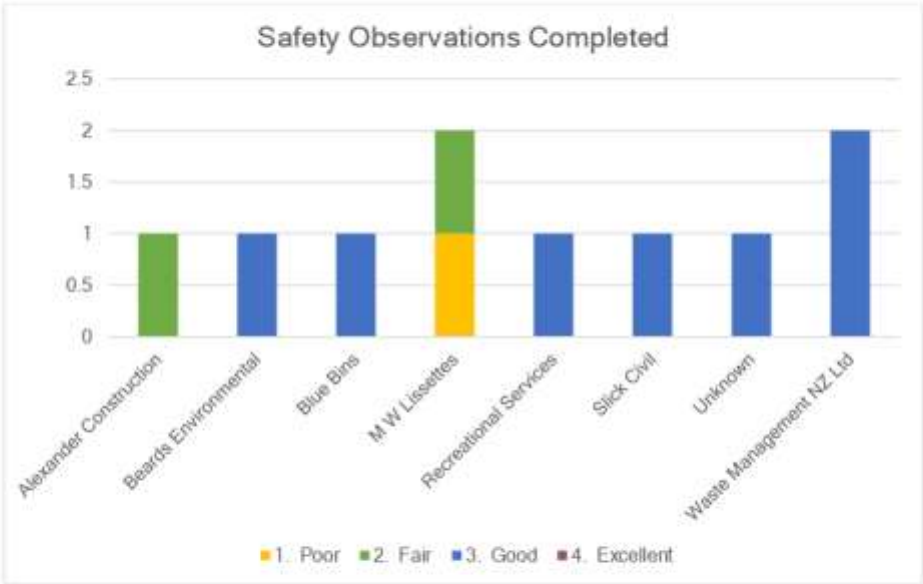
B1. Indicator Measures

Leading Indicator	FY21/22 Q4	FY21/22 Q3	FY21/22 Q1 & Q2	FY20/21 Q1 & Q2	Trend
Hazards reported	2	1	17	4	
Toolbox Health and Safety Briefings held	73	71	131	156	
Health and Safety Risk Assessments undertaken	375	398	890	517	
Health and Safety Observations completed	12	11	11	20	
Number of staff attending Health and Safety training	7	0	26	10	
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 – (FY2021-22 Quarter 4)



7. LAGGING INDICATORS

C1. Reported Incidents

C1.1 Employee Incidents

Lagging Indicator	FY21/22 Q4	FY21/22 Q3	FY21/22 Q1 & Q2	FY20/21 Q1 & Q2
Near Miss	1	2	13	1
Property Damage	0	1	5	10
Non-Injury Incident	2	1	10	2
Injuries	0	1	0	0
• First Aid Treatment	0	0	0	0
• Medical Treatment	0	1	0	0
• Lost Time	0	0	0	0
WorkSafe Notifiable Events	0	0	0	0

C1.2 Contractor Incidents

	FY21/22 Q4	FY21/22 Q3	FY21/22 Q1 & Q2	FY20/21 Q1 & Q2
Near Miss	4	2	7	4
Property Damage	2	7	7	12
Non-Injury Incident	0	0	6	1
Injuries	0	1	0	0
• First Aid Treatment	0	1	0	0
• Medical Treatment	0	0	0	0
• Lost Time	0	0	0	0
WorkSafe Notifiable Events	0	0	0	0

C1.3 Public and Customer Incidents

	FY21/22 Q4	FY21/22 Q3	FY21/22 Q1 & Q2	FY20/21 Q1 & Q2
Near Miss	1	2	6	1
Property Damage	0	0	1	5
Non-Injury Incident	3	1	11	0
Injuries	0	0	0	0
• First Aid Treatment	0	1	0	0
• Medical Treatment	0	0	0	0
• Lost Time	0	0	0	0
WorkSafe Notifiable Events	0	0	0	0

C1.4 Significant Incident Summary

There were no significant incidents reported for this period.

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

C2. Incident Analysis

C2.1 Incidents by Hazard/Risk Classification (FY2021-22 Quarter 4)

