

Friday, 21 June 2024

*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, 21 June 2024**

*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](mailto:democracy@hdc.govt.nz)**

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

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

The Heads of Agreement for the Ōmarunui Refuse Landfill Joint Committee have presented with minor amendments for Council’s consideration on 8 December 2022 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: <b>63.68%</b> Napier City Council: <b>36.32%</b> The Councils recognise the connection of Ngāti Pārau Hapū to the site.
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: <b>63.68%</b> Napier City Council: <b>36.32%</b> (subject to any specific provisions following) The Councils also provide for one representative from Ngāti Pārau Hapū to be a voting member of this Joint Committee.
5.	Joint Committee	
5.1	Omarunui Refuse Landfill Joint Committee (Joint Committee):	This Committee shall comprise four elected members of the Hastings District Council and two elected members of the Napier City Council and one representative from Ngāti Pārau Hapū or the alternates of those members and an alternate when acting in the place of a member shall be deemed to be a 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> <ol style="list-style-type: none"> <li>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.</li> <li>To construct buildings, purchase and dispose of plant, equipment and materials.</li> <li>Arrange insurance cover to ensure that there is comprehensive insurance in respect of the establishment and operation of the refuse disposal facility.</li> <li>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.</li> <li>To fix and recover fees and charges payable by landfill users.</li> <li>The licensing of users.</li> <li>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.</li> <li>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.</li> <li>To use any part of the Ōmarunui property not required for refuse disposal for any lawful purpose including leasing thereof.</li> <li>Such further specific powers as may be delegated to it as agreed by the Councils.</li> </ol> <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>

	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.
7. Joint Committee Procedural Matters	7.1	Each member or the alternate of such member shall have one vote.
	7.2	The members shall elect a Chair and Deputy Chair.
	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: <b>63.68%</b> Napier City Council: <b>36.32%</b>
	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	<p>14.1 This Joint Committee shall commence from the date of this agreement and shall continue thereafter until terminated by agreement of the Councils.</p> <p>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: <b>63.68%</b> Napier City Council: <b>36.32%</b></p> <p>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: <b>63.68%</b> Napier City Council: <b>36.32%</b> To such short-fall, with any necessary adjustments being made to reflect any amounts due by or to any individual Council at termination.</p>
15. Arbitration	<p>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.</p> <p>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.</p>
16. Substitution	16.1 This agreement substitutes and revokes the previous Heads of Agreement dated 4 October 2010.

---

Friday, 21 June 2024

---

*Te Hui o Te Kaunihera ā-Rohe o Heretaunga*

**Hastings District Council**

**Ōmarunui Refuse Landfill Joint Committee Meeting**

*Kaupapataka*

# Agenda

---

*Heamana*

**Chair:** 1 Vacancy

**Deputy Chair:** Councillor Chad Tareha (NCC)

*Nga mema o te Komiti*

**Committee Members:**

Councillors Ana Apatu, Simon Nixon and Kellie Jessup (HDC)

Councillor Richard McGrath (NCC)

Councillor Michael Fowler (HDC Alternate)

Councillor Nigel Simpson (NCC Alternate)

Ngāti Pārau Appointee: - Alice Hughes

Ngāti Pārau Alternate: - Darren Tareha

---

*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

### Apologies – Ngā Whakapāhatanga

- 1.0** At the close of the agenda no apologies had been received.  
At the close of the agenda no requests for leave of absence had been received.

### 2.0 Conflict of Interest – He Ngākau Kōnatunatu

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

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

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

### Confirmation of Minutes – Te Whakamana i Ngā Miniti

- 3.0** Minutes of the Ōmarunui Refuse Landfill Joint Committee Meeting held Tuesday 20 February 2024.  
(Previously circulated)

- 4.0** **Health, Safety & Wellbeing Update** **9**

- 5.0** **Nine Month Activity Report** **15**

### Replacement Compactor

- 6.0** *Attachment 1 to this report is confidential in accordance with the Local Government Official Information and Meetings Act 1987 Section 7 (2) (b) (ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely to unreasonably prejudice the commercial position of the person who supplied or who is the subject of the information, and also Section 7 (2) (i) - The withholding of the information is necessary to enable the local authority to carry on, without* **23**

---

*prejudice or disadvantage, negotiations (including commercial and industrial negotiations).*

---

**7.0 Reserve Transfer** **29**

---

**8.0 Update on Unique Emissions Factor** **33**

---

**9.0 Minor Items – Ngā Take Iti**

---

**10.0 Urgent Items – Ngā Take Whakahihiri**

---

**11.0 Recommendation to Exclude the Public from Item 12** **37**

---

**12.0 Engagement of Tonkin and Taylor for Landfill Consultancy Services**

---



Friday, 21 June 2024

*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: **Jennie Kuzman, Health, Safety and Wellbeing Manager**

*Te Take:*  
Subject: **Health, Safety & Wellbeing Update**

## **1.0 Purpose and 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 the 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 information in relation to Health, Safety & Wellbeing for the period 1 October 2023 – 31 March 2024.

## **2.0 Recommendations - Ngā Tūtohunga**

That the Ōmarunui Refuse Landfill Joint Committee receive the report titled Health, Safety & Wellbeing Update dated 21 June 2024.

### **Attachments:**

- 1 [↓](#) Health, Safety & Wellbeing Report - Omarunui Landfill - 1 October 2023 - 31 March 2024 HR-03-8-2-24-225



# ŌMARUNUI LANDFILL HEALTH, SAFETY & WELLBEING : 1 OCTOBER 2023 – 31 MARCH 2024

## Employees



## Contractors



## Customers / Public



## Top 3 Types of Injuries

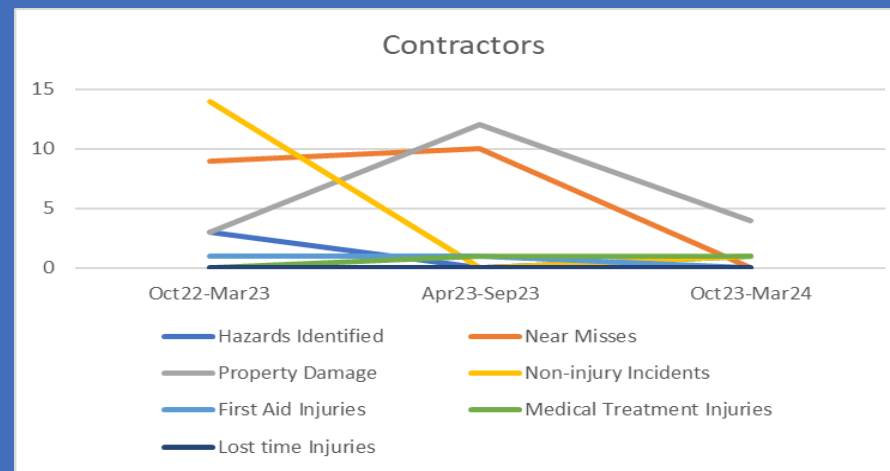
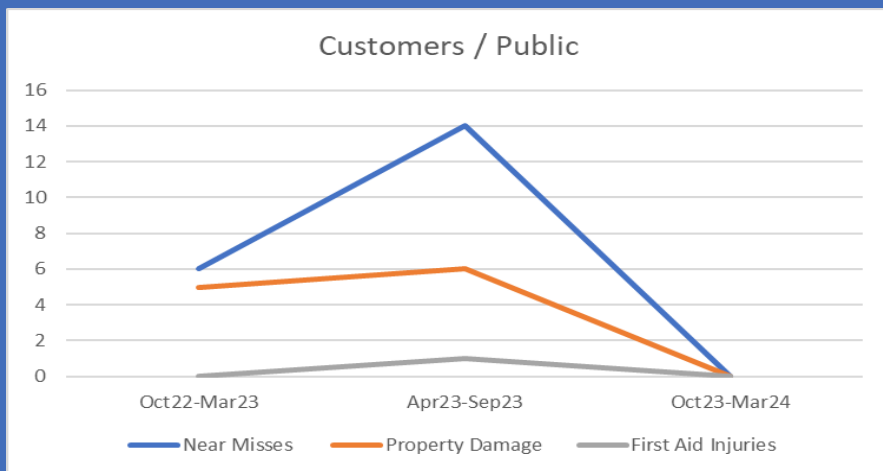
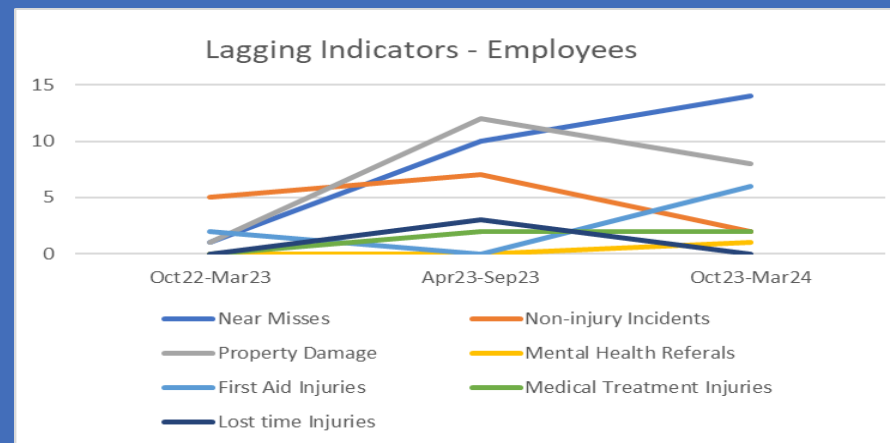
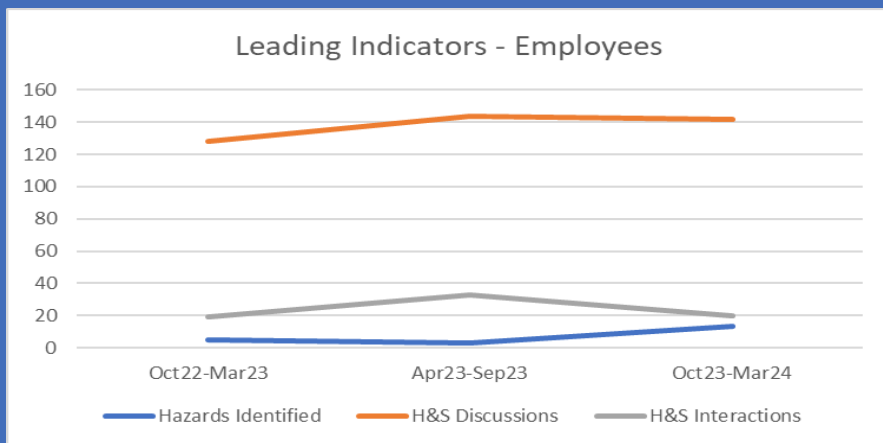
- 1 Strain / Sprain
- 2 Open Wound
- 3 Poisoning / Toxic Effects

## Top 3 Hazard/ Risk Categories

- 1 Mobile Plant and Equipment
- 2 Vehicles (Cars, Trucks, Motorcycles)
- 3 Fire / Explosion



## TRENDING



## HIGHLIGHTS:

### Critical HSW Risk Management:

Ōmarunui Landfill staff and contractors are exposed to a number of critical risks, including: Plant & Machinery, Vehicles, Conflict & Violence, Stress, Fatigue, Asbestos, Hazardous Substances, Excavations, Falls, Manual Handling, Exposure to Substances Hazardous to Health (e.g., noise, vibration, gases, particulates, UV). All of these risks are identified within the critical risk register for the site and specific risk control measures have been put in place.

Of note, over this reporting period there were 6 fires at the tip face as a result of hazardous waste materials disposed of incorrectly.

### Incident Summary:

During this period there were 8 injuries reported across the site, the majority of which were strains/sprains or small cuts/lacerations, however two were in relation to exposure to hazardous substances. All of these injury incidents have been investigated and corrective actions put in place.

### Trending:

The graphs on page two show the trending over the past 18 months and the impact of Cyclone Gabrielle on functions. Operations have been transitioning back to a 'normal' pace post-cyclone, and it is anticipated that that leading and lagging indicators will continue to settle back into pace with normal operations.



Friday, 21 June 2024

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

**Te Take:**  
**Subject: Nine Month Activity Report**

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

- 1.1 The purpose of this report is to inform the Ōmarunui Refuse Landfill Joint Committee on landfill activities for the nine month period ending 31<sup>st</sup> March 2024.

## 2.0 Recommendations - *Ngā Tūtohunga*

That the Ōmarunui Refuse Landfill Joint Committee receive the report titled Nine Month Activity Report dated 21 June 2024.

## 3.0 Finance and Tonnages

- 3.1 The financial position of the main accounts at 31<sup>st</sup> March 2024 are as follows:

	\$ 9 month actuals	\$ 9 month budget	\$ 9 month variation
Revenue*	7,855,236	6,560,676	1,294,560
Expenditure*	4,720,699	4,283,473	437,226
<b>Net surplus from operations</b>	<b>3,134,537</b>	<b>2,277,203</b>	<b>857,334</b>

\*Excludes the waste levy and ETS

The net surplus from operations as at 31<sup>st</sup> March 2024 is \$857,334 above budget. Revenue is up versus overall budget because of higher commercial waste (\$886,380).

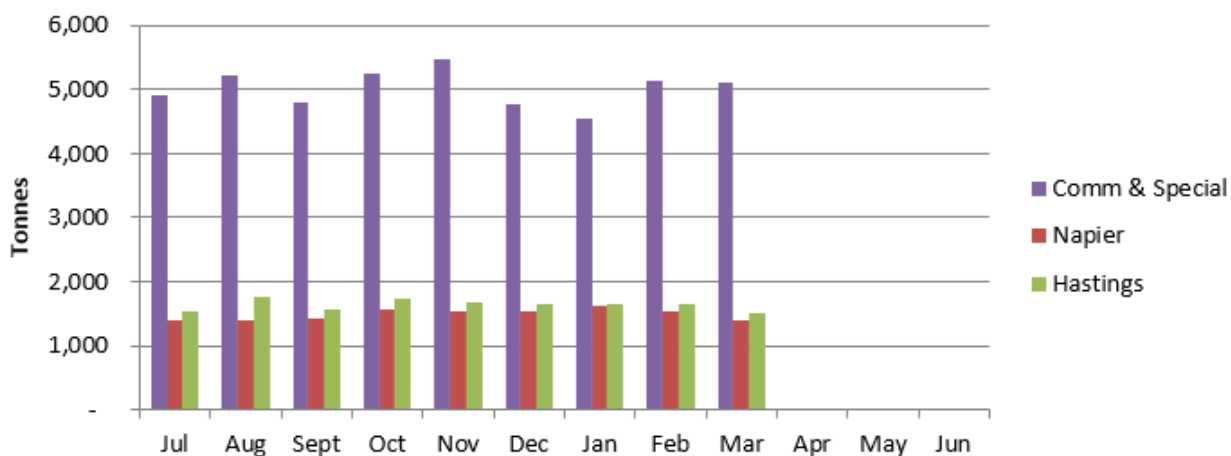
	\$ 9 month actuals	\$ 9 month budget	\$ 9 month variation	\$ Annual budget
Commercial	5,024,880	4,138,500	886,380	5,518,000
HDC	1,523,225	1,161,000	362,225	1,548,000
NCC	1,132,455	1,096,500	35,955	1,462,000
<b>Total</b>	<b>7,680,560</b>	<b>6,396,000</b>	<b>1,284,560</b>	<b>8,528,000</b>

3.2 Overall tonnages year to date are above budget by 4,275 tonnes or 6.2%.

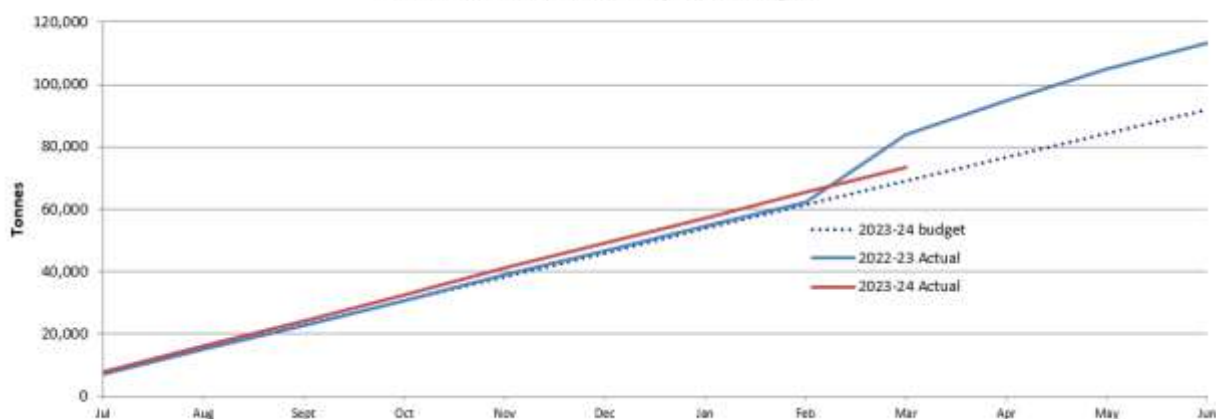
Activity	9 month actual	9 month budget	9 month variance	Annual budget
Commercial	36,729	32,250	4,479	43,000 t
Special	8,742	10,500	(1,758)	14,000 t
HDC	14,428	13,500	928	18,000 t
NCC	13,376	12,750	626	17,000 t
<b>Total</b>	<b>73,275</b>	<b>69,000</b>	<b>4,275</b>	<b>92,000 t</b>

3.3 Tonnages are currently tracking down on last year's actual total (73,275T versus 83,737T).

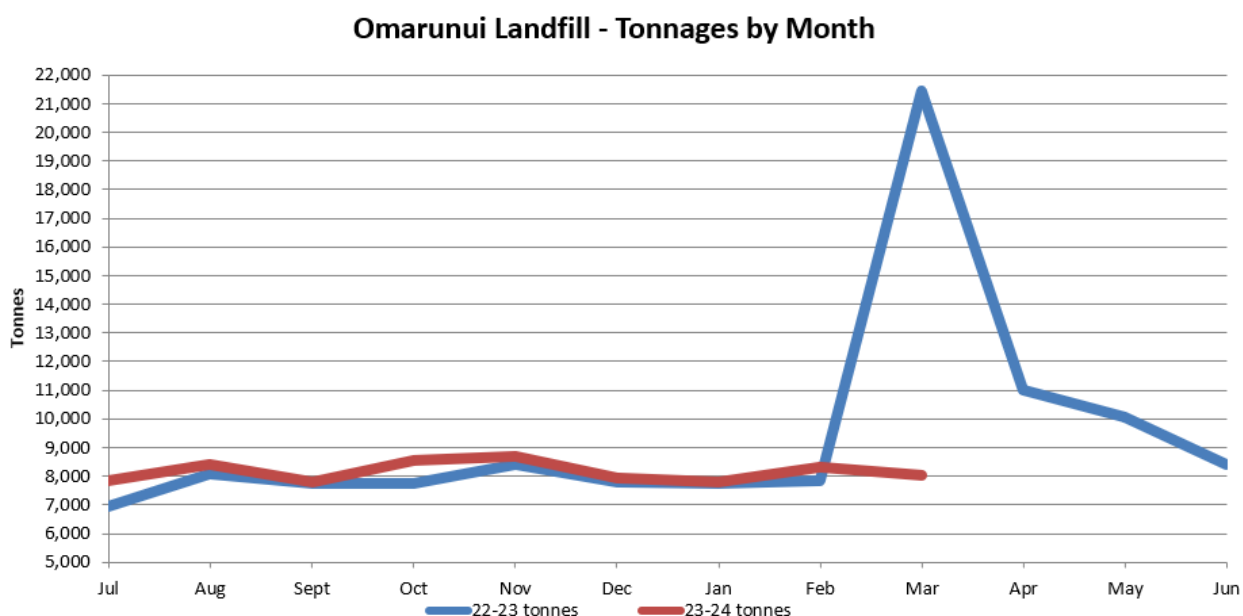
### Landfill actual tonnages by month



Omarunui Landfill - Waste Disposal Tonnages







#### 4.0 Development update for Areas A & D

- 4.1 Year to date \$2,411,072 has been spent on the construction of development work. The development budget for the full year is \$1,736,456. To date this represents an over expenditure of \$674,616 which will be offset by the under expenditure in the development of Area B.
- 4.2 This budget has been overspent for several reasons. The first is that Stage 3A of Area D is now being constructed before Stage 4 and this work is more expensive. This change in programme was because Stage 3A is bigger and will provide the landfill more capacity to accept waste in the short term.
- 4.3 The second reason for the Area A & D overspend was due to Cyclone Gabrielle and the need to create additional landfill space on top of Area A. This involved not only removing the existing cap but constructing a new cap after the flood waste was deposited there. The final cap is still to be completed.
- 4.4 Thirdly, the cost of placing clay liner has increased due to the lack of suitable onsite material. As previously reported to the committee clay is now being imported to the landfill from other sites in Hawke's Bay. Currently material is being sourced from a location near Ocean Beach.
- 4.5 The construction of Stage 3A in Area D is being carried out by Fulton Hogan and included bulk earthworks, clay liner construction, the installation of plastic (HDPE) liner and geosynthetic clay systems, as well as the leachate collection system. This work is nearing completion and waste will soon be able to be placed in that area.

#### 5.0 Development update for Area B

- 5.1 The development of Area B is required so that the landfill continues to have adequate space for the region's waste beyond 2025. This is needed as the current filling area (Area D) will be full by late 2025 to early 2026 depending on tonnages received.
- 5.2 To date in the 2023/24 financial year \$3,194,405 has been spent on the Area B development project. The 2023/24 budget for this work is \$5,191,500. To date this represents an under expenditure of \$1,997,095. The surplus in the Area B account will be used to offset the over expenditure in the Area D account.

- 5.3 Work in Area B has included the completion of the enabling works and the start of Stage 1 construction. The enabling work contract work was carried out by Fulton Hogan and was completed in January 2024. This work included the following:
- Environmental Controls
  - Stripping and clearing
  - Construction of wetlands
  - Sediment Retention Pond
  - Stormwater reticulation
  - Toe Key Undercut (earthworks)
  - Toe Key Construction (earthworks)
  - Access Tracks
- 5.4 The Stage 1 construction contract was awarded to Goodmans/Gairs and this work started in February 2024. This work includes substantial earthworks and clay liner construction.
- 5.5 Stage 1 construction is scheduled to be completed by mid-2025.
- 5.6 As required by the resource consent for Area B a peer review panel (PRP) has been established. The two appropriately qualified and experienced engineers selected for the panel are Peter Askey (WSP NZ) and Nigel Mark-Brown (Environmental Context Ltd). This panel was required to be established and maintained so that the design, and other related matters, were meeting the resource consent conditions.
- 5.7 The PRP engineers have reviewed the design, specifications, and plans/drawings, as well as visiting the site on three occasions (the last being 4<sup>th</sup> April 2014). The work to date has been met with their approval. All queries raised by the PRP were answered to their satisfaction. As part of their obligations the PRP have prepared an annual report that has been submitted to Hawke's Bay Regional Council.

## 6.0 New Kiosk and Weighbridge

- 6.1 A new kiosk has been constructed to replace the one that was flooded by Cyclone Gabrielle. The kiosk was built by Atkin Construction as a variation to their contract to build the new education centre and landfill office.
- 6.2 The new kiosk was `blessed on 26 February 2024 and became operational soon after that.
- 6.3 The cost of the new kiosk was partly funded by the insurance pay out received by the landfill for the damage to the previous kiosk.
- 6.4 The design of the new kiosk is such that a second weighbridge can be installed on the other side of the kiosk and still leave room for the slip road. This will allow one weighbridge to be used for vehicles entering the site and the other weighbridge used to weigh trucks leaving the site. Additionally, this will allow maintenance work to be undertaken on one weighbridge while the other is still operating and therefore allow the site to remain open and operational. The second weighbridge has now been installed and is in the process of being commissioned.

## 7.0 Operations and Maintenance

- 7.1 The main tipping area is currently larger than preferred due to the distance between the tip face and the Stage 3A filling area and the need to push the waste further before compacting it.
- 7.2 A new tip face and access road is soon to be constructed which will enable waste to be tipped closer to where it will be finally placed and compacted in the Stage 3A area.

- 7.3 The two compactor operating model has worked well when both compactors are working, however this is not always the case due the numerous mechanical breakdowns of the older compactor. The matter of replacing the old compactor is the subject of a separate report to the committee.
- 7.4 Of note, having two compactors working post Cyclone Gabrielle was of great benefit as the landfill was operating with two different tip faces at that time (due to the large volume of incoming waste) and we were able to have a compactor at each one of those sites.
- 7.5 The site is in good condition and most maintenance work has been carried out as programmed. Work on the landfill's silt ponds will be carried out in the summer months when they will be cleaned out.

## 8.0 Leachate

- 8.1 The landfill typically spray irrigates leachate on the landfill cap by way of irrigation pods. However, this method of managing leachate is not so effective during winter (less evaporation) or during wetter weather (the cap becomes too wet). As a result of wetter summers and events such as Cyclone Gabrielle, the landfill has not been able to spray irrigate as much as it would like.
- 8.2 The other method of managing leachate is for it to be carted off site for treatment and disposal. This is a more expensive method of management but is the only current alternative to spray irrigation at Ōmarunui. The additional costs associated with carting leachate off-site are covered by the landfill's leachate reserve which is funded by the gate charge. The amount the reserve is funded by the gate charge is now being increased from \$2 per tonne to \$3 per tonne to cover these additional offsite disposal costs.
- 8.3 The transfer of funds from the Tyre Reserve fund to the Leachate Reserve fund are the subject of a separate report to the committee.

## 9.0 Landfill Gas

- 9.1 As the final cap is constructed over more of the landfill, additional vertical gas wells will be installed in these areas. 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.
- 9.2 A second flare has now been installed at the landfill. This flare is owned and operated by LMS Ltd (owner and operator of the gas to energy plant) under a long-term lease agreement with the landfill. Having two flares will enable one to be shut down for servicing while the other is still working.
- 9.3 LMS have also replaced the old Waukesha engine in the gas to energy plant with a higher rated and more efficient Caterpillar engine. The new engine will destroy a greater volume of gas and produce 20% more electricity.
- 9.4 The combination of the new engine and second flare will help the landfill destroy a greater volume of gas which will help control odour at the site and reduce Emission Trading Scheme compliance costs.

## 10.0 Health and Safety

- 10.1 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"***.

10.2 Additional Health & Safety information relating to the landfill's performance is the subject of a separate report to this committee.

### 11.0 Skins/Pelts/Fleshings/Tannery Waste

- 11.1 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 a matter that staff need to be mindful of when accepting these types of waste.
- 11.2 In recent months the volume of skins/pelts/fleshings/tannery waste received at the landfill has settled down to a manageable level. The landfill has set daily load limits on the acceptance of this type of waste, and waste haulers are mostly adhering to these rules.
- 11.3 Odour from this waste stream can cause issues at the site and as a result a new deodorant (spray) system was installed last year. This system is now fully operational.

### 12.0 Waste Levy

- 12.1 The waste levy is currently being collected at a rate of \$50 per tonne, however this will increase to \$60 per tonne for the 2024/25 financial year (starting 1<sup>st</sup> July 2024).
- 12.2 Information regarding the Waste Levy increase and other price changes have been passed onto landfill customers.
- 12.3 The new NZ Government is signalling further increases in the levy; however, these are likely to be in the order of an additional \$5 per tonne per annum for the next three years. This would therefore increase the levy from \$60 to \$75 per tonne over a three-year period.

### 13.0 Emissions Trading Scheme (ETS)

- 13.1 The landfill has successfully applied for a Unique Emissions Factor (UEF) under the provisions of the ETS. The UEF was granted in February 2024 and applies to the landfills 2023 calendar year ETS obligations only. The UEF needs to be reviewed annually and always applies to the previous years' ETS obligations (or tonnes of waste in the case of a landfill).
- 13.2 The impact of the UEF on the landfill's ETS obligations and hedging strategy are the subject of a separate report to the committee.

### 14.0 Financial Summary

- 14.1 Attached to this report is the financial summary (**Attachment 1**) for the 9 month period ending 31<sup>st</sup> March 2024.

#### Attachments:

- 1↓ [Ōmarunui Landfill Joint Committee Financial Summary 31st March 2024](#) CG-14-27-00072

**OMARUNUI LANDFILL JOINT COMMITTEE  
FINANCIAL SUMMARY  
FOR THE 9 MONTH ENDED - 31st March 2024**

LAST YEAR ACTUAL (Full Year)	LAST YEAR ACTUAL (YTD)		Notes	YTD ACTUAL \$	YTD BUDGET \$	YTD VARIANCE \$	FULL YEAR BUDGET \$
<b>REVENUE</b>							
3,989,833	2,954,984	Local Authorities		2,655,680	2,257,500	398,180	3,010,000
6,628,290	4,896,437	Commercial Operations		5,024,880	4,138,500	886,380	5,518,000
1,704,185	44,014	Other		1,252	0	1,252	0
10,777	9,733	Rentals (Farm & Power Stn)		9,733	6,976	2,756	9,302
199,660	-	Interest on funds		0	0	0	0
13,128	13,128	Sale of gas		17,141	19,699	-2,558	26,266
113,223	83,737	Tyre Processing Fund	5	0	0	0	0
113,223	83,737	Leachate development	3	146,551	138,000	8,551	184,000
3,396,688	2,512,122	Waste Levy \$30/t & \$50/t	1	3,663,768	3,450,000	213,768	4,600,000
3,962,803	2,930,809	ETS \$35/t & \$55/t	2	4,030,145	3,795,000	235,145	5,060,000
<u>20,131,809</u>	<u>13,528,701</u>	<b>Total Revenue</b>		<u>15,549,149</u>	<u>13,805,676</u>	<u>1,743,473</u>	<u>18,407,568</u>
19,932,149	13,528,701			15,549,149	13,805,676		18,407,568
<b>EXPENDITURE</b>							
3,608,321	959,254	Maintenance - Landfill		805,521	791,444	14,077	121,925
1,515,845	950,686	Other refuse disposal		933,613	942,044	-8,432	1,256,059
988,160	571,297	External plant hire		700,012	600,000	100,012	800,000
65,788	65,283	External plant hire escalations		176,000	75,000	101,000	100,000
899,141	788,555	Leachate Treatment/Disposal		210,283	110,250	100,033	147,000
20,900	12,875	Kiosk Charges		20,108	28,350	-8,242	37,800
89,688	45,757	Ground & Surface Water Testing		102,751	29,310	73,441	39,080
0	0	Gas to energy		0	750	-750	1,000
16,995	11,841	Farm operations		5,637	9,075	-3,438	12,100
21,205	21,205	Rates		21,219	17,550	3,669	23,400
328,077	246,024	Overheads - Administrative	4	247,333	232,875	14,458	310,500
1,913,804	1,436,304	Depreciation		1,498,222	1,446,825	51,397	1,929,100
3,727,510	2,512,122	Waste Levy \$30/t & \$50/t	1	3,344,677	3,450,000	-105,323	4,600,000
3,962,803	2,930,809	ETS \$35/t & \$55/t	2	4,030,145	3,795,000	235,145	5,060,000
<u>17,158,236</u>	<u>10,552,010</u>	<b>Total Expenditure</b>		<u>12,095,521</u>	<u>11,528,473</u>	<u>567,048</u>	<u>14,437,964</u>
<b>2,973,573</b>	<b>2,976,690</b>	<b>SURPLUS from Operations</b>		<b>3,453,628</b>	<b>2,277,203</b>	<b>1,176,425</b>	<b>3,969,604</b>
1,913,804	1,436,304	Add back Non Cash Depreciation		1,498,222	1,446,825	51,397	1,929,100
159,498	122,172	Less transfer to/from Plant and Property Fund		87,635	-58,100	145,735	-120,600
130,000	97,500	Less transfer to After Care Reserve		97,500	97,500	0	130,000
113,223	83,737	Less transfer to/from Tyre Reserve		-	60,000	-60,000	80,000
-	413,502	Less transfer to/from Leachate Reserve		146,551	60,000	86,551	80,000
<u>4,898,159</u>	<u>4,025,847</u>	<b>Surplus before Capital Costs</b>		<u>4,620,164</u>	<u>3,564,627</u>	<u>1,055,536</u>	<u>5,729,304</u>

**OMARUNUI LANDFILL JOINT COMMITTEE  
FINANCIAL SUMMARY  
FOR THE 9 MONTH ENDED - 31st March 2024**

LAST YEAR ACTUAL (Full Year)	LAST YEAR ACTUAL (YTD)	Notes	YTD ACTUAL \$	YTD BUDGET \$	YTD VARIANCE \$	FULL YEAR BUDGET \$
<b>DEVELOPMENT COSTS FOR VALLEY A &amp; D</b>						
<b>EXPENDITURE</b>						
12,778	12,778	Planning Advice	26,000	112,500	-86,500	150,000
-	-	Water Quality Monitoring Bores	0	0	0	0
-	-	Solid Waste Management	0	0	0	0
55,212	22,771	Gas Control	87,364	202,271	-114,907	269,695
20,701	20,701	Stormwater	0	15,435	-15,435	20,580
25,043	0	Leachate Collection System	21,461	150,000	-128,539	200,000
37,252	15,212	Liner	0	300,000	-300,000	400,000
804,488	651,997	Earthworks	2,128,496	825,000	1,303,496	1,100,000
175,000	131,250	Overheads	147,750	131,250	16,500	175,000
<u>1,130,474</u>	<u>854,709</u>		<u>2,411,072</u>	<u>1,736,456</u>	<u>674,615</u>	<u>2,315,275</u>
<b>-1,130,474</b>	<b>-854,709</b>	Total Development Costs	<b>-2,411,072</b>	<b>-1,736,456</b>	<b>-674,615</b>	<b>-2,315,275</b>
<b>DEVELOPMENT COSTS FOR VALLEY B &amp; C</b>						
<b>EXPENDITURE</b>						
658,804	673,112	Planning Advice	239,133	300,000	-60,867	400,000
3,088,941	1,183,348	Landfill Area B&C Construction	2,938,772	4,875,000	-1,936,228	6,500,000
22,000	16,500	Overheads	16,500	16,500	0	22,000
<u>3,769,745</u>	<u>1,872,960</u>		<u>3,194,405</u>	<u>5,191,500</u>	<u>-1,997,095</u>	<u>6,922,000</u>
<b>-3,769,745</b>	<b>-1,872,960</b>	Total Development Costs	<b>-3,194,405</b>	<b>-5,191,500</b>	<b>1,997,095</b>	<b>-6,922,000</b>
<b>FORESTRY COSTS (Funded from the Property Reserve)</b>						
-	-	Contracted Services	70,168	0	70,168	0
1,686	1,686	Internal - HDC Rates & Charges	1,583	975	608	1,300
<u>1,686</u>	<u>1,686</u>	Total Forestry Costs	<u>71,751</u>	<u>975</u>	<u>70,776</u>	<u>1,300</u>

\* YTD Actuals include accruals

**Notes:**

- 1 A waste Levy of \$30/t for 2022/23 & \$50/t for 2023/24 collected and paid back to the Ministry for Environment.
- 2 ETS levy of \$35/t for 2022/23 and \$55/t for 2023/24
- 3 \$2/t collected for leachate development
- 4 The overhead costs have been agreed with NCC at budget time
- 5 \$0/t collected for Tyre Processing Fund

Friday, 21 June 2024

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

*Te Take:*  
Subject: **Replacement Compactor**

## **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 purchasing a new compactor to replace the older second compactor at the landfill.
- 1.2 This matter arises from the preference to operate two compactors at the site, and the poor performance of the second compactor which is now 16 years old and requires regular and costly maintenance work to keep it operating.

## **2.0 Recommendations - Ngā Tūtohunga**

- A) That the Ōmarunui Refuse Landfill Joint Committee receive the report titled Replacement Compactor dated 21 June 2024.
- B) That the Committee approve the request to purchase a new refuse compactor and that the old compactor be traded-in as part of the purchase agreement or sold separately for the highest price offered.

## **3.0 Background – Te Horopaki**

- 3.1 Historically (pre-2022) the landfill has operated with one compactor on site, however this has proven to be problematic in terms of achieving adequate and consistent compaction of waste. In May 2022 the landfill took ownership of a new compactor and retained the old one as a spare. This was due to the poor trade in price offered and the desire to operate the site with two compactors.

- 3.2 Since May 2022 the site has operated with two compactors, albeit with the older one playing a lesser part due to its age and downtime for repairs and maintenance work. However, during this period it still became evident that using two compactors was the best way to operate and achieve the desired compaction rates.
- 3.3 Unfortunately, the loss of operating time and high cost of keeping the older compactor operating have now become excessive. It is for this reason the landfill would like to replace the older compactor with a new one that will consistently deliver the desired performance expected of it.

#### 4.0 Discussion – *Te Matapakitanga*

- 4.1 Over the last two years landfill staff have reported several benefits in operating two compactors at the landfill, however the downside has been the high mechanical cost use keeping the older compactor working.
- 4.2 The two compactors work well in tandem, and this has been of significant benefit when large volumes of waste have come into the site over a short period of time. This has ensured that all the waste still gets compacted to required level.
- 4.3 The ability to operate at least one compactor while the other is being serviced has been an important factor in achieving a consistency in compaction.
- 4.4 The compaction rate achieved by a landfill is an important indicator on how well a landfill is operating. A factor of below 0.8 tonnes per cubic metre of airspace is considered poor. When using a bulldozer at the tip face compaction rates of only 0.6 tonnes per cubic metre are achieved. Typically, a rate of at least 1.0 tonnes per cubic metre should be aimed for at a landfill such as Ōmarunui.
- 4.5 At Ōmarunui average rates of 1.1 to 1.2 tonnes per cubic metre have been achieved when both compactors have been available and used to complement each other. Rates higher than 1.2 tonnes per cubic metre have been achieved at times, however the down time associated with the older compactor has meant that the site cannot consistently achieve these higher compaction rates.
- 4.6 It is unfortunate that the older compactor is now requiring significant amounts of maintenance and repair work to keep it working. As a result, the landfill has at times hired a bulldozer to assist with operations at the tip face. While bulldozers can push and spread waste, they are no good at compacting waste. They are also very expensive to hire.
- 4.7 The recent impact of Cyclone Gabrielle on Hawke’s Bay has highlighted the need for greater resilience at strategically important facilities such as the landfill. It was fortunate that we had two compactors on site at the time and we could continue to deliver waste disposal services to the region.
- 4.8 Attached to this report is a memo from Chris Morgan (Landfill Manager) to Martin Jarvis (HDC Waste & Data Services Manager) that provides more information about the landfill’s compactors and the proposal to purchase a new compactor.

#### 5.0 Options – *Ngā Kōwhiringa*

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

- 5.1 Replace the old compactor with a new one:

Advantages

- Higher compaction rates can be achieved by operating two compactors.
- By achieving a higher overall compaction rate the life of the landfill can be extended. This has significant financial implications as more waste can be placed in the available airspace and therefore reduce the need to build a new landfill sooner than desired.



- The financial benefit of maximising airspace is captured by the site's Full Cost Accounting Model (FCAM) and therefore keeps the gate charge as low as it can be.
- The two compactors work well together when large amounts of waste are received over a relatively short period of time. An extreme example of this was the additional waste received soon after cyclone Gabrielle hit Hawke's Bay.
- By being able to keep at least one of the two compactors operating at a minimum, a high level of compaction is more likely to be consistently achieved rather than periodically achieved.
- The high mechanical cost of keeping the older compactor working will be avoided.
- In terms of resilience the two compactor operating model is preferred. If there is a mechanical issue with one, or even if one is receiving planned servicing, the other can be working at the tip face.
- When operating the landfill with only one compactor a bulldozer has historically been used to cover for the compactor when it was out of action. Hiring a bulldozer is expensive and while they can push the waste around, they don't compact waste very well at all. If the landfill were to have two compactors the cost of using a bulldozer at the tip face will be avoided and better compaction will be achieved.
- There are relatively few waste compactors in New Zealand, and they are not something you can just hire in when you need one. The two compactor operating model is therefore one that provides the site with greater resilience so that the appropriate level of service can be delivered.
- When Area B opens later in 2025, Area D will still be receiving waste. During this cross over period (six months to a year) the landfill will be placing waste in both Area D and Area B. The landfill will therefore require two compactors so that waste can be compacted properly at both tip faces.
- The landfill Plant Account currently stands at \$2.1 million and can cover the cost of purchasing a new compactor.

#### Disadvantages

- Compactors are expensive and will cost the landfill in the order of \$1.1 million to purchase. This will reduce the value of the Plant Account by about 50%.
- By moving to a permanent two compactor operating model (as opposed to just having an older back-up compactor) an increase can be expected in longer term plant operating costs (i.e. fuel, servicing and maintenance) over the lifetime of the machine.

#### Option Two – Status Quo - Te Kōwhiringa Tuarua – Te Āhuetanga o nāianeī

##### 5.2 Not to replace the old compactor:

- If the old compactor is not replaced it will still be used but only for an anticipated 12 to 18 months if mechanical capable. During this time, it may be able to cover the cross over period when the landfill is placing waste in Area's D and B. This would depend on its operating ability.
- The old compactor would be sold as is, or for scrap metal value. Historically machines in this condition have not attracted a significant sale price. The previous time the landfill sold a compactor (in 2013) the sale price was \$10,000 excluding GST.
- Some plant operating savings would be made by reverting to one compactor, however all the other benefits of operating two compactors would be lost.

## 6.0 Next steps – *Te Anga Whakamua*

- 6.1 Should this recommendation be adopted by the Committee, contract documents will be prepared and the tender process for procuring a replacement compactor will start.

### Attachments:

- |   |  |                |
|---|--|----------------|
| 1 | Memorandum Ōmarunui Landfill Compactor Replacement v2<br><i>Confidential in accordance with Section 7 (2) (b) (ii), Section 7 (2) (i) of the Local Government Official Information and Meetings Act 1987</i> | CG-17-20-00021 |
|---|--|----------------|

---

## 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 contributes to the promotion of safe, healthy and liveable communities in the present and for the future. The proposal also promotes the efficient use of a strategically important community asset.

---

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

The recommended outcome of this matter is one that adheres to the Cultural Impact Assessment (2022) for the site by way of maximising the available airspace and therefore reducing the need to develop further land for the purposes of placing waste.

---

### Sustainability - *Te Toitūtanga*

By maximising the available airspace for waste, the life of the site is extended and more efficiently used. Matters relating to Sustainability are covered in the Council's Waste Management & Minimisation Plan 2018. In respect to the landfill and the engagement of professional services, the use of Tonkin & Taylor is seen as ensuring the protection of environment at the site.

---

### Financial considerations - *Ngā Whakaarohanga Ahumoni*

The cost of replacing the old compactor is covered by the Landfill Plant Account.

---

### 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 in relation to the strategic asset group it forms part of.

---

---

**Consultation – internal and/or external - *Whakawhiti Whakaaro-ā-roto / ā-waho***  
Not applicable.

---

**Risks**

Opportunity: To purchase a new refuse compactor for the Omarunui Landfill

REWARD – <i>Te Utu</i>	RISK – <i>Te Tūraru</i>
The landfill will be able to achieve high compaction rates more consistently and therefore maximise the available airspace at the site. The high cost of repair and maintenance work required on the old compactor will be avoided. The cost of bringing in alternative machinery to deal with waste will be avoided.	There are no risks that can be directly associated with this opportunity. While the cost of a new compactor is in the order of \$1.1 million, the landfill plant account currently holds \$2.1 million.

---

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

No implications.

---



Friday, 21 June 2024

*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:** Jeff Tieman, Management Accountant

**Te Take:**  
**Subject:** Reserve Transfer

## 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 closing the Tyre Reserve fund and transferring the remaining balance to the Leachate Reserve.
- 1.2 This issue has arisen as very few tyres are now disposed of at the landfill and as a result there is a significantly reduced requirement to hold a tyre reserve. This is in stark contrast to the increasing costs associated with managing the safe disposal of leachate generated by severe and unseasonal weather events.
- 1.3 The NZ Government has also introduced a waste tyre “product stewardship” scheme (Tyrewise) that will fund the safe and appropriate disposal of waste tyres across NZ. The scheme becomes fully operational on 1<sup>st</sup> September 2024.

## 2.0 Recommendations - *Ngā Tūtohunga*

- A) That the Ōmarunui Refuse Landfill Joint Committee receive the report titled Reserve Transfer dated 21 June 2024.
- B) That the Committee approve the request to transfer the remaining funds in the Tyre Reserve to the Leachate Reserve.

### 3.0 Background – *Te Horopaki*

- 3.1 The Tyre Reserve was originally established to cover the costs associated with the safe and appropriate disposal of waste tyres entering the landfill and already stockpiled at the site.
- 3.2 Historically tyres have been difficult to legally dispose of and it has always been difficult to establish an appropriate gate charge for them. The reserve was used to help fund appropriate disposal when those options were more expensive than expected.
- 3.3 While it is not a preference to dispose of tyres in a landfill, at a minimum they still need to be quartered or shredding prior to disposal. The costs associated with quartering and shredding are in addition to the normal landfill disposal charges applied at the site.
- 3.4 As there is a strong preference not to dispose of tyres in the landfill, the reserve was principally used to pay the transportation costs to remove the tyres from the stockpile at the landfill and for a suitable business to recycle or repurpose the tyres.
- 3.5 The reserve enabled the landfill to always have funds to dispose of tyres in an appropriate way over multiple years that involved different contractors and disposal/reuse methods.
- 3.6 The bulk of the tyres have gone to Hawke’s Bay Tyre Shredding which processes the tyres (shreds) into a fuel which is then exported overseas or used locally in NZ. Historically some of the waste tyres stockpiled at the landfill were transported to Taupo where they were used to construct barriers at the car racetrack located there.
- 3.7 Over the last few years companies with waste tyres have taken the tyres directly to Hawke’s Bay Tyre Shredding themselves, thus bypassing the landfill. This saves double handling and any issues relating to the taxes that apply to waste entering the landfill.
- 3.8 As a result of the above, the landfill currently receives very few tyres. Those that do find their way to the landfill have been “sneaked” into loads of other types of waste. The landfill typically gets the culprit to take the tyre back when they can be identified.
- 3.9 With the introduction of Tyrewise the future management of waste tyres is being dealt with nationally and this will in turn result in less local government (council) involvement.
- 3.10 The proposal to move the remaining Tyre Reserve funds of \$488,133.81 to the Leachate Reserve is because the cost of managing leachate at the landfill has increased significantly in recent years and additional funds are now required. The increase in leachate costs can be attributed to the volume of leachate that is now required to be transported and disposed of off-site. Typically, the landfill spray irrigates leachate on-site, however the greater frequency of extreme weather events (such as Cyclone Gabrielle) and wetter summers has meant that the ability to spray irrigate has been somewhat reduced. The Leachate Reserve stands at \$179,067.68 as of 21<sup>st</sup> May 2024.
- 3.11 In the 2023/24 year the landfill spent \$915,000 on offsite leachate disposal. This was higher than normal due to the wet summer and Cyclone Gabrielle. So far this financial year, \$234,000 has been spent on offsite disposal.

### 4.0 Discussion – *Te Matapakitanga*

- 4.1 It is highly unlikely that the landfill will require a tyre reserve in the future due to the small number of tyres arriving at the landfill. Any variance in disposal cost can be accommodated by the overall revenue gathered by the site as waste enters the facility.
- 4.2 The Tyre Reserve could always be resurrected should it be required. If this were to happen, an additional charge would be added to the gate rate to cover the required amount to be put aside.

### 5.0 Options – *Ngā Kōwhiringa*

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

### 5.1 Transfer the remaining funds of \$488,133.81 to the Leachate Reserve:

#### Advantages

- The transfer of funds from the Tyre Reserve to the Leachate Reserve will help offset the increasing cost of leachate management.
- By transferring the funds to the Leachate Reserve the need to generate additional revenue at the gate for the management of leachate will be reduced.

#### Disadvantages

- As the need for additional funds for tyre disposal is no longer required, there is no disadvantage in not having a Tyre Reserve fund.

#### **Option Two – Status Quo** - Te Kōwhiringa Tuarua – Te Āhuetanga o nāianeī

### 5.2 Leave the funds in the Tyre Reserve:

- If the funds were to remain in the Tyre Reserve, it would be highly unlikely that they would ever be used in full. This would be a waste of funding that is required in other parts of the landfill's operation.

## 6.0 Next steps – *Te Anga Whakamua*

- 6.1 Should the recommendation to transfer the funds be adopted the landfill accountant would then make that transaction occur at his first opportunity.

### Attachments:

There are no attachments for this report.

---

## Summary of Considerations - *He Whakarāpopoto Whakaarohanga*

---

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

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

### [Link to the Council's Community Outcomes](#) – *Ngā Hononga ki Ngā Putanga ā-Hapori*

This proposal promotes the best practice in managing the Council owned landfill for the wellbeing of communities in the present and for the future.

---

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

No impact as this is a relatively minor operational matter.

---

### Sustainability - *Te Toitūtanga*

Meets the need to appropriately manage and fund the operation of the landfill.

---

### Financial considerations - *Ngā Whakaarohanga Ahumoni*

---

This transfer will support the Leachate Reserve so that leachate operations can continue to be appropriately managed at the site.

**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>
N/A	N/A

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

Not applicable.



Friday, 21 June 2024

*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:** Jeff Tieman, Management Accountant

**Te Take:** Update on Unique Emissions Factor  
**Subject:** Update on Unique Emissions Factor

## 1.0 Executive Summary – *Te Kaupapa Me Te Whakarāpopototanga*

- 1.1 The purpose of this report is to update the Ōmarunui Refuse Landfill Joint Committee on the Unique Emissions Factor (UEF) and to seek approval for the sale of surplus New Zealand Units (NZU).

## 2.0 Recommendations - *Ngā Tūhunga*

- A) That the Ōmarunui Refuse Landfill Joint Committee receive the report titled Update on Unique Emissions Factor dated 21 June 2024.
- B) That the Committee approve the sale of 106,398 surplus units on the spot market and give the Deputy Chief Executive authority to approve these transactions.

## 3.0 Background – *Te Horopaki*

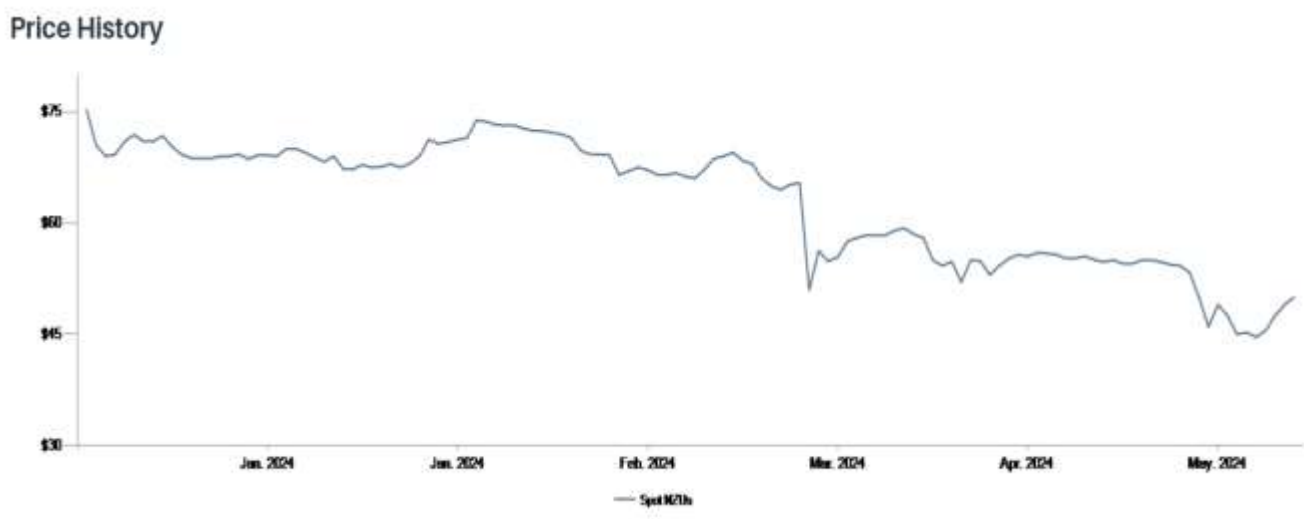
- 3.1 Under the emission trading scheme (ETS), Ōmarunui Refuse Landfill must surrender NZU by the 31<sup>st</sup> May each year for their emission for the previous calendar year. This is based on volume (tonnes) multiplied by either the default factor or UEF.
- 3.2 Up until 2023 the landfill used the default factor for this calculation. Below is a table with the recent history of the factor.

Year	2019	2020	2021	2022	2023
Default Factor	1.19	1.19	1.19	0.91	1.03

- 3.3 In 2023, officers engaged the services of Tonkin and Taylor to explore the viability of the landfill to obtaining a UEF. This process led to the landfill successfully receiving a UEF for 2023 year of 0.342, versus the default factor of 1.03.
- 3.4 The UEF is an annual process and officers are currently starting the process for the 2024 calendar year.
- 3.5 The hedging strategy for the purchase of NZU for the landfill is aligned with the treasury strategy for the Hastings District Council, which is 5 years. The first 3 years the landfill has a contractual commitment to purchase 100% of their NZU, 80% in year 4 and 60% in year 5.

**4.0 Discussion – Te Matapakitanga**

- 4.1 Due to the successful application of the landfill UEF in 2023, the landfill is over committed with contracts to purchase NZU. In May of this year the landfill purchased 95,200 NZU at a price of \$40, totalling \$3,808,000. The cost of this was covered by the ETS charge that is included in our gate price and this is calculated annually based on the landfill’s contractual commitment.
- 4.2 As a result of this purchase and additional surplus NZU sitting in the ETS account from previous years, the landfill has 106,398 NZU that are no longer required.
- 4.3 Below is a graph of the recent history of the spot market for selling NZU. Currently this is sitting around \$50



- 4.4 Due to the hedging strategy, the landfill has the following contractual commitments in the coming years

Settlement	NZU	Price	Total
May 2025	71,400	\$41.50	\$2,963,100
May 2026	53,100	\$105.40	\$5,596,740
May 2027	54,600	\$112.77	\$6,157,242

- 4.5 Based on our 2023 UEF of 0.342, the landfill is over committed with its contractual arrangements. Officers have explored the option of terminating these contracts early, but it is financially not viable to do so and better to continue with them and collect the required ETS portion in the gate price, settle our required units and sell the surplus on the spot market.
- 4.6 Due to the annual application of the UEF, officers are reviewing the hedging strategy for purchasing NZU and will report this back to the committee at the next meeting.

## 5.0 Options – Ngā Kōwhiringa

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

- 5.1 To sell 106,398 NZU currently held in the landfill ETS account on the spot make at approximately \$50/NZU.

Advantages of this is it will provide approximately \$5,000,000 in cashflow to assist in the landfill development and operating costs.

Disadvantages of selling now is that the spot market could bounce back, and the value of the units could increase providing a better return in the future.

Option Two – Status Quo - Te Kōwhiringa Tuarua – Te Āhukatanga o nāianeī

- 5.2 The landfill could hold onto the 106,398 NZU currently sitting in their ETS account and retain these for future use once the above contracts are settled.

Advantages of this would mean we do not need to look at future contracts beyond our commitment in May 2027

Disadvantage of this is it is tying up a large amount of cashflow that can be better utilised for operating and development costs.

## Attachments:

There are no attachments for this report.

---

## Summary of Considerations - He Whakarāpopoto Whakaarohanga

---

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

---

---

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

[Link to the Council's Community Outcomes – Ngā Hononga ki Ngā Putanga ā-Hapori](#)

This proposal promotes the financial and economic wellbeing of communities in the present and for the future.

---

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

No implications.

---

**Sustainability - Te Toitūtanga**

No implications.

---

**Financial considerations - Ngā Whakaarohanga Ahumoni**

By selling the excess NZU, we free up around \$5,000,000 to assist with the cashflow.

---

**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.

---

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

No implications.

---

# HASTINGS DISTRICT COUNCIL

## ŌMARUNUI REFUSE LANDFILL JOINT COMMITTEE MEETING

FRIDAY, 21 JUNE 2024

Item 11

---

### RECOMMENDATION TO EXCLUDE THE PUBLIC

#### SECTION 48, LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT 1987

THAT the public now be excluded from the following part of the meeting, namely:

#### 12 Engagement of Tonkin and Taylor for Landfill Consultancy Services

The general subject of the matter to be considered while the public is excluded, the reason for passing this Resolution in relation to the matter and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this Resolution is as follows:

---

<i>GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED</i>	<i>REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER, AND PARTICULAR INTERESTS PROTECTED</i>	<i>GROUND(S) UNDER SECTION 48(1) FOR THE PASSING OF EACH RESOLUTION</i>
12 Engagement of Tonkin and Taylor for Landfill Consultancy Services	<p><b>Section 7 (2) (i)</b> The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p> <p>To enable the Council to carry out negotiations.</p>	<p><b>Section 48(1)(a)(i)</b> Where the Local Authority is named or specified in the First Schedule to this Act under Section 6 or 7 (except Section 7(2)(f)(i)) of this Act.</p>