

Mayor and Councillors
COUNCIL

24 JANUARY 2013

Meeting Status: **Public**

Purpose of Report: For Decision

GENERAL WASTE FEE OTAKI TRANSFER STATION

PURPOSE OF REPORT

- 1 This report seeks Council approval for the increase of general waste charges at the Otaki Transfer Station from 1 February 2013. The increase is required to meet additional landfill disposal costs associated with the Government's Emissions Trading Scheme (ETS), with regard to solid waste disposal.

SIGNIFICANCE OF DECISION

- 2 This report does not trigger the Council's significance policy.

BACKGROUND

- 3 As of 1 January 2013 landfill operators are required to purchase and surrender carbon credits (NZU's) per tonne of CO₂ associated with tonnes of waste placed into their landfills. This means that unlike the waste levy, the financial obligations under the ETS are not a known annual fixed cost for operators, as carbon credits are purchased on the open market and are subject to price fluctuations during the year.
- 4 Operators were expected to pass on the ETS cost to their customers through increased landfill fees once the actual cost had been confirmed. This potential for an increase in disposal costs associated with the ETS was identified in the Solid Waste Activity in the 2012 Long Term Plan.

CONSIDERATIONS

- 5 Council disposes of its rubbish bag collection tonnes and total tonnage out of the Otaki Transfer Station via MidWest Disposals Limited. MidWest informed Council by letter on 21 November 2012 (attached as Appendix 1 to this report) that the disposal fee at the Otaihangā Resource Recovery Facility would be increased by \$4 (excluding GST) per tonne. This increase would apply to all rubbish out of the Otaki Transfer Station
- 6 The general waste fees at the Otaki Transfer Station cover the disposal cost of all general waste into the station and will need to be increased to reflect the additional ETS costs. It is proposed to increase the fees as follows:

Otaki Transfer Station fees	Current fee	Proposed fee
Bags (excl. council bags)	\$3.80	\$4.00
Car boot	\$15	\$15.50
Full car	\$21	\$21.70
Station Wagon/4WD	\$31	\$32
Utes/Vans	\$36	\$ 37.50
Trucks and trailers < 350 kg is min. charge	\$135 per tonne \$47 min charge	\$139.50 \$48.80 min charge

- 7 MidWest has informed Council that prior to the end of June, ETS costs will be reassessed and dependent on market conditions may advise a further increase from 1 July 2013 to 31 December 2013. The potential for further increases will be identified in the fees schedule of the 13/14 Annual Plan.

Financial Considerations

- 8 Unless charges are increased as proposed, Council will be incurring additional losses at Otaki Transfer Station at the rate of \$4 per tonne.

Legal Considerations

- 9 There are no legal considerations.

Publicity Considerations

- 10 The new fees for Otaki Transfer Station will be advertised on the Council website, the local newspapers will receive a media release and the fees signage will be updated at the transfer station.

RECOMMENDATION

- 11 That the Council approves the increase in the Otaki Transfer Station fees as proposed in paragraph 6 of Report IS-12-779 from 1 March 2013.

Report prepared by:

Approved for submission by:

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ATTACHMENTS: 1. LETTER MIDWEST DISPOSALS

