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**REPORT 5***(1215/52/IM)*

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**NORTHERN LANDFILL - GENERAL WASTE FEES & CLEANFILL  
SOUTHERN LANDFILL – TYRE FEES**

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**1. Purpose of the Report**

This paper proposes:

- (a) changes to various aspects of landfill management in order to effect smooth closure of the Northern Landfill; and
- (b) improvements to the fees rationale for the disposal of tyres at the Southern Landfill.

**2. Recommendation**

It is recommended that the Committee:

1. *Receive the information.*
2. *Note that the Northern Landfill is due for closure in 2006 and that a number of issues remain to be addressed to maximize benefit from the landfill prior to closure.*
3. *Recommend that the Council agree a new charge of \$60.10 for general waste at the Northern Landfill, such charge to be introduced at officers' discretion to maximise the potential use of the landfill prior to closure.*
4. *Recommend that the Council agree to restrict the acceptance of cleanfill from now until closure of the Northern Landfill.*
5. *Recommend that the Council agree to a new charge of \$3.50 per tonne for cleanfill immediately prior to closure of the Northern Landfill in order to attract cleanfill as cover*
6. *Recommend that the Council agree to amend the fees for disposal of tyres at the Southern Landfill from \$150.75 per tonne to \$3.50 per car tyre and \$8.75 per truck tyre.*
7. *Note that officers will report to Strategy and Policy Committee on the closure of the Northern Landfill in late 2006.*

### **3. Background**

The Northern Landfill was commissioned in 1995. It will close to the public by the middle of 2006 with capping to be completed by the end of 2006. The closure presents some challenges, including:

- maximising revenue - to ensure revenue to the Council is maximised, the Landfill should be completely filled on the last day that waste is accepted. Achieving this match is manageable if price can be used to modify customer behaviour. Even a relatively small reduction in price can attract a significant volume of waste in a short space of time
- maximising benefits - to ensure the Council maximises the benefit from the remaining airspace.

Early in 2004 changes were made at the Southern Landfill to the fees for domestic customers disposing of tyres. These changes were designed to recover the cost of disposing of tyres and have worked well in the main. However the imposition of a minimum charge of \$150.75 per tonne has created an unforeseen issue, specifically where a domestic customer has just one tyre in an otherwise mixed load, and is required to pay the full minimum charge. Under the current arrangement customers are sometimes required to pay many more times the actual cost of disposing of tyres, and the fee structure for tyres needs to be revisited to address this anomaly

### **4. Discussion**

#### **4.1 General Waste Fee at Northern Landfill**

Currently the general waste fee for commercial customers is \$71.70 per tonne. When Council introduced this fee in September 2004, waste volumes reduced initially. Since then, Porirua Landfill increased its fees to \$70.00 per tonne and waste volumes quickly returned to previous levels. To synchronise the 2006 closure date of the Northern Landfill with the requisite volumes of waste there is a requirement for some flexibility to slightly reduce fees in order to attract waste for a short period.

Towards ensuring the Northern Landfill maximises its potential before closure in 2006 it is recommended that:

- The current charge of \$71.70 per tonne be maintained as the maximum charge for general waste.
- A new charge of \$60.10 per tonne be approved. This rate is considered to be low enough to attract waste, but high enough to maintain the integrity of the revenue stream. The discretion to introduce this charge is to be given to officers if the need arises to attract additional quantities of waste. The charge would be applied for such time as deemed necessary by officers.

## 4.2 Restricting Cleanfill

The current composition of waste at the Northern Landfill is 45% inert waste classified as cleanfill, 52% general waste and 3% greenwaste.

This composition means that a significant stockpile of cleanfill is presently available, as only 15% cleanfill is required to maintain the current level of service (cleanfill is used to cover waste for environmental reasons).

The high level of cleanfill originates from the extensive construction market activity currently underway, although some of the materials currently presented as cleanfill is not suitable as cover as they are often of poor quality and can contain rock, demolition concrete and other construction materials. Continuing this ratio of cleanfill is likely to have a negative impact on revenue as cleanfill is accepted at a rate of \$9.20 per tonne, whilst general waste is disposed at \$71.70 per tonne. There are several other cleanfill sites operating in the Wellington region.

It is recommended that:

- For the remaining life of the Northern Landfill the cleanfill intake be minimised.
- A new rate of \$3.50 per tonne be introduced to attract cleanfill when it is required for cover, immediately prior to closure.

Businesses would not be significantly affected by this proposal. There may be some benefit for waste collection companies due to reduced fees at the Northern Landfill.

The restriction on cleanfill is not expected to cause any difficulties as the Northern Landfill only represents 8% of the total quantity of Wellington's cleanfill. There are several cleanfills operating in Wellington that accept material at competitive rates.

## 4.3 Fee for tyres at the Southern Landfill.

Early in 2004 changes were made at the Southern Landfill to the fees for domestic customers disposing of tyres. These changes were designed to recover the cost of disposing of tyres and have worked well in the main. However the imposition of a minimum charge of \$150.75 per tonne has created an unforeseen issue, specifically where a domestic customer has just one tyre in an otherwise mixed load, and is required to pay the full minimum charge. Under the current arrangement customers are sometimes required to pay many more times the actual cost of disposing of tyres, and the fee structure for tyres needs to be revisited to address this anomaly.

It is proposed that new concessionary fees be introduced as follows, based on the cost of shredding and disposing of tyres. This replaces the \$150.75 per tonne charge:

- **Car Tyres** - A new charge of \$3.50 per tyre.
- **Truck Tyres** - A new charge of \$8.75 per tyre.

The proposed strategy and managed fee structure will have no effect on costs of disposal other than some relief for the disposal of small numbers of tyres.

#### **4.4 Impact for Council**

The proposed changes will allow the Council to maximise the financial benefit from the remaining airspace at the Northern Landfill without impacting on the Council's current budget for this project. No significant implications are anticipated at the Southern Landfill.

### **5. Consultation**

Previous reports have outlined the options and strategies related to the closure of the Northern Landfill. This report is consistent with those options and is in line with the approved closure plan.

Porirua and Hutt City Councils have been advised of this report.

### **6. Statutory Provisions**

Section 544 of the Local Government Act 1974 together with clause 1.8 of Wellington City Council's Consolidated By-law authorises the Council to charge a relevant fee for the landfill services it provides.

### **7. Implementation**

If approved the following timeline is proposed:

<b>Activity</b>	<b>Date</b>
Presentation to full Council	27 April 2005
Advertising of notice period for new charges	1 May – 1 June 2005
Implementation of new charges	15 June 2005

Contact Officer: Mike Mendonca /Johan Simeonov – CitiOperations

## Supporting Information

### **1) Strategic Fit / Strategic Outcome**

*This proposal supports the following outcomes*

#### **6.3 Reducing waste**

*Reducing quantities of waste entering the waste stream where an increasing volume is reused, recycled or recovered,*

#### **6.4 Sustainable Disposal**

*All waste is disposed of in an environmentally sustainable manner ensuring the protection of people and ecosystem.*

### **2) LTCCP/Annual Plan reference and long term financial impact**

*The proposal relates to project C076. The changes in fee structure will not impact on the overall cost of this project.*

### **3) Treaty of Waitangi considerations**

*There are no Treaty of Waitangi issues.*

### **4) Decision-Making**

*This is in line with current policies and as such represents continuation of the decision-making process.*

### **5) Consultation**

#### **a) General Consultation**

*The revised fees structure is part of a review update process and requires no independent consultation.*

#### **b) Consultation with Maori**

*Not applicable for this paper.*

### **6) Legal Implications**

*The proposed amendments are within the ambit of the LGA. There are no other known legal implications.*

### **7) Consistency with existing policy**

*The proposal is consistent with the Financial Policy, Solid Waste Management Plan and Life Cycle Costing Model as accepted by the Council.*

## Appendix 1: Northern Landfill Charges

<i>Description</i>	<i>Charging Criteria</i>	<i>Current Charge</i>	<i>Proposed New Charges</i>				<i>Total</i>
			<i>Proposed Base Charge</i>	<i>Proposed Waste minimisation Levy</i>	<i>Proposed Recycling Levy</i>	<i>Proposed Educational Levy</i>	
Cars	Per Vehicle	\$10.80					No change
Cars	Per Vehicle	\$22.00					No change
Vans and Utilities	Per Vehicle	\$22.00					No change
Trailers – Domestic Small	Per Trailer	\$22.00					No change
Trailers – Domestic Large	Per Trailer	\$29.30					No change
Trailers – Commercial	Per Tonne	\$71.70	<b>New - \$47.20 Old - \$56.20</b>	<b>New - \$1.25 Old - \$1.50</b>	<b>New - \$10.00 Old - \$12.00</b>	<b>New - \$1.65 Old - \$2.00</b>	<b>New - \$60.10 Old - \$71.70</b>
Minimum Charge		\$36.00					No change
General Waste	Per Tonne	\$71.70	<b>New - \$47.20 Old - \$56.20</b>	<b>New - \$1.25 Old - \$1.50</b>	<b>New - \$10.00 Old - \$12.00</b>	<b>New - \$1.65 Old - \$2.00</b>	<b>New - \$60.10 Old - \$71.70</b>
Minimum Charge		\$36.00					No change
Cleanfill *	Per Tonne	\$9.60					No change
Selected Cleanfill**		No rate					\$3.50
Minimum Charge		\$27.00					No change
Vehicles weigh only	Per weighting	\$10.00	N/A	N/A	N/A	N/A	No change

\* ***Restricted and allowed only on the need for cover basis.***

\*\* ***Prior approval required for all waste in this category.***