AGENDA

Extraordinary Meeting of the
Buller District Council

Commencing at 1:00PM
Tuesday 11th June 2024

To be held at the
Clocktower Chambers
Palmerston Street
Westport

Also held via Zoom

BULLER DISTRICT COUNCIL
Te Kaunihera O Kawatiri

2024 CHARTER

CORE COUNCILLOR ROLE AND RESPONSIBILITIES

The Governance role entails:

- Strategic planning and decision-making;
- Policy and strategy review;
- Community leadership and engagement, and stewardship;
- Setting appropriate levels of service;
- Maintaining a financially sustainable organisation; and
- Oversight/scrutiny of Council's performance as one team.

The governance role focusses on the big picture of 'steering the boat' - management's role focusses on 'rowing the boat'

Our commitments to best support each other and meet the challenges and opportunities of 2024 include:

CLEAR AND RESPECTFUL COMMUNICATION

We are committed to:

Actively listening and not interrupting;

Remaining conscious of 'tone', body language, and amount of time speaking (allowing time for others);

Responding/answering in a timely manner; and

Being honest, reasonable, and transparent.

TRUST AND RESPECT

We recognise that trust and respect must be earned and that a team without trust isn't really a team. Trust can be built by:

Valuing long-term relationships; being honest; honouring commitments; admitting when you're wrong; communicating effectively; being transparent; standing up for what's right; showing people that you care; being helpful; and being vulnerable.

CONTINUOUS LEARNING AND IMPROVEMENT

Continuous learning and improvement are critical for growing together as a team.

We are committed to constantly reviewing what is going well and what needs to improve in relation to the way we work together, the processes we follow, and the outcomes we deliver.

NONE OF US IS AS SMART AS ALL OF US

Council

Chairperson:	**Mayor**
Membership:	The Mayor and all Councillors
Meeting Frequency:	Monthly – or as required.
Quorum:	A majority of members (including vacancies)

Purpose

The Council is responsible for:

1. Providing leadership to, and advocacy on behalf of, the people of Buller district.
2. Ensuring that all functions and powers required of a local authority under legislation, and all decisions required by legislation to be made by local authority resolution, are carried out effectively and efficiently, either by the Council or through delegation.

Terms of Reference

1. To exercise those powers and responsibilities which cannot legally be delegated by Council:
   a) The power to set district rates.
   b) The power to create, adopt and implement a bylaw.
   c) The power to borrow money, or purchase or dispose of assets, other than in accordance with the Long Term Plan.
   d) The power to adopt a Long Term Plan or Annual Plan, or Annual Report.
   e) The power to appoint a Chief Executive Officer.
   f) The power to adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the Long Term Plan, or developed for the purpose of the Council's governance statement, including the Infrastructure Strategy.
   g) The power to adopt a remuneration and employment policy for Chief Executive Officer.
   h) The power to approve or change the District Plan, or any part of that Plan, in accordance with the Resource Management Act 1991.
   i) The power to approve or amend the Council's Standing Orders.
   j) The power to approve or amend the Code of Conduct for Elected Members.
   k) The power to appoint and discharge members of committees.
   l) The power to establish a joint committee with another local authority of other public body.
   m) The power to make the final decision on a recommendation from the Parliamentary Ombudsman, where it is proposed that Council not accept the recommendation.
   n) Health & Safety obligations and legislative requirements are met.

2. To exercise the following powers and responsibilities of Council, which the Council chooses to retain:
    a) Resolutions required to be made by a local authority under the Local Electoral Act 2001, including the appointment of an electoral officer and reviewing representation arrangements.
    b) Approval of any changes to Council's vision, and oversight of that vision by providing direction on strategic priorities and receiving regular reports on its overall achievement.
    c) Adoption of governance level strategies, plans and policies which advance Council's vision and strategic goals.
    d) Approval of the Triennial Agreement.
    e) Approval of the local governance statement required under the Local Government Act 2002.
    f) Approval of a proposal to the Remuneration Authority for the remuneration of Members.
    g) Approval of any changes to the nature and delegations of the Committees.
    h) Approval of funding to benefit the social, cultural, arts and environmental wellbeing of communities in Buller District
    i) Ensuring Buller is performing to the highest standard in the area of civil defence and emergency management through:
        i) Implementation of Government requirements
        ii) Contractual service delivery arrangements with the West Coast Regional Group Emergency Management Office
    j) All other powers and responsibilities not specifically delegated to the Risk and Audit Committee, subcommittees, independent hearing panels or Inangahua Community Board.

Buller District Council Extraordinary Meeting

Venue: Clock-tower Chambers, Westport. This meeting will be Live-Streamed on the Buller District Council YouTube Channel.

11 June 2024 01:00 PM
12 June 2024 01:00 PM
13 June 2024 01:00 PM

Agenda Topic

BULLER DISTRICT COUNCIL

EXTRAORDINARY MEETING

11 JUNE 2024

AGENDA ITEM: 1

Prepared by Simon Pickford
Chief Executive Officer

APOLOGIES

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1. REPORT SUMMARY

That Buller District Council receive any apologies or requests for leave of absence from elected members.

2. DRAFT RECOMMENDATION

That there are no apologies to be received and no requests for leave of absence.

OR

That Buller District Council receives apologies from (insert councillor name) and accepts councillor (insert name) request for leave of absence.

BULLER DISTRICT COUNCIL

EXTRAORDINARY MEETING

11 JUNE 2024

AGENDA ITEM: 2

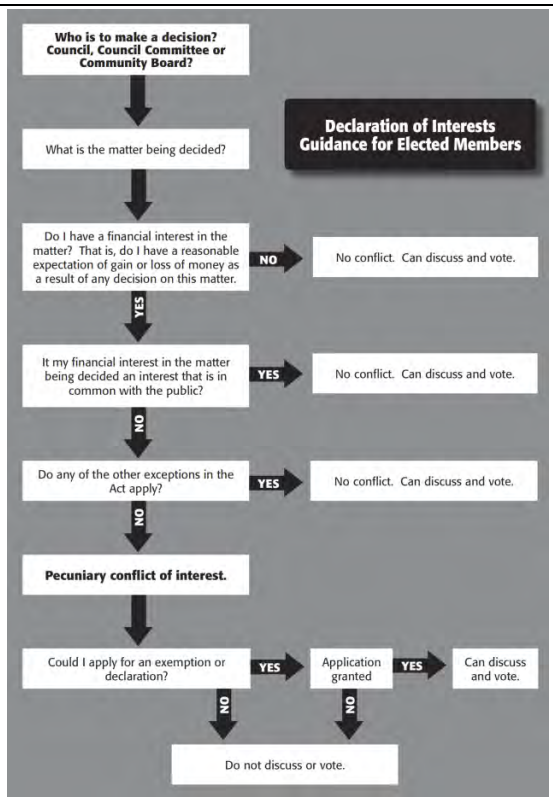
Prepared by Simon Pickford
Chief Executive Officer

MEMBERS INTEREST

Members are encouraged to consider the items on the agenda and disclose whether they believe they have a financial or non-financial interest in any of the items in terms of Council's Code of Conduct.

Councillors are encouraged to advise the Governance Assistant, of any changes required to their declared Members Interest Register.

The attached flowchart may assist members in making that determination (Appendix A from Code of Conduct).



DRAFT RECOMMENDATION:

That Members disclose any financial or non-financial interest in any of the agenda items.

BULLER DISTRICT COUNCIL

EXTRAORDINARY MEETING

11 JUNE 2024

AGENDA ITEM: 3

Prepared by Douglas Marshall
Finance Support

Reviewed by Paul Numan
Group Manager Corporate Services

Attachments 1. Proposed Remissions Policy

2024-2025 ENHANCED ANNUAL PLAN DELIBERATIONS REPORT – CONSULTATION TOPIC 2 – PROPOSED CHANGES TO WATER AND WASTEWATER RATES

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1. REPORT SUMMARY

This report's purpose is to outline the outcome from the consultation process on the Enhanced Annual Plan. The second topic of consultation relates to the proposed changes to the water and wastewater rates system.

2. DRAFT RECOMMENDATION

That Council:

1. **Consider the submissions.**
2. **Consider the attached Remissions Policy.**
3. **Provide guidance on what option should be put into the final plan, including considering changing the application of the serviceability rate from per Separately Used or Inhabited Part of a rating unit (SUIP) to per rating unit.**

3. ISSUES & DISCUSSION

The Options Proposed To The Community Were As Follows:

Option 1 - Adopt a revised policy on how water and wastewater targeted rates are charged.

Option 2 - Keep the policy the same on how water and wastewater targeted rates are charged.

The consultation process was open from 12 April – 4 June, an extension of time from the balance of Enhanced Annual Plan Process which closed on 20 May.

Part of this consultation topic was the creation of individual letters explaining the proposed change and how it was expected to impact on their future rates payment.

The completion of this preparation process took longer than expected, plus the time it takes for a letter to be posted and appear in a ratepayer's letter box meant that the decision was made to extend the submission to 4 June.

Consultation with the Council was also offered via:

- Direct contact in person with staff and elected members
- Email/social media contact.
- Drop-in sessions via the Council being available in community halls and the libraries.
- A drop-in session was held in Westport for the accommodation sector who had concerns about the proposed change.

Through the submissions process BDC received 200 responses who gave their preference. 448 responses gave no view on their preference.

The outcome was as follows:

Option 1 – 59 of the submitters chose this option – (29.5%)
Option 2 – 141 of the submitters chose this option – (70.5%)

Feedback from ratepayers has identified several issues which are discussed now:

3.1 Availability Of Supply

Council rates policy for some water and wastewater supplies has not always required a ½ charge if a property can be serviced by the water or wastewater system (reticulation) that is available adjacent to the property.

The proposed change now means that all properties that are connected pay a full charge (based on the policy criteria) or a ½ charge if they could be connected. In practical terms, some properties are being proposed to be ½ rated but it may not technically or practically possible to be connected.

Some ratepayers have raised a question about the fairness of this policy change.

One matter raised by submitters questioned the equitability of the proposal to

charge the serviceability rate per SUIP (Separately Used or Inhabited Part of a rating unit) instead of rating unit. Based on the data used to issue the letters there were 27 properties that would pay greater than one serviceability rate, and 11 for both services. The wording of the new policy could be amended prior to final adoption to state the serviceability rate would apply per rating unit, so any property would only pay one half rate for availability of service. If a property subsequently connected to a supply, it would revert to the connection rate being per SUIP.

The Local Government (Rating) Act 2002 under section 90A allows the CEO to write off outstanding rates, i.e. where a ratepayer refuses to pay, could also be used in a situation of serviceability reasonableness. This write off could be used on application from the ratepayer or CEO discretion. This approval would not be used often but it is available to allow for unreasonable charges to be written off.

3.2 Installation Of Water Meters

Several ratepayers have asked if water meters can be installed on their property.

Water meters installed for each property in a water supply provide an ability for ratepayers to "pay for what you use". Currently this Council installs water meters for properties which have known larger volumes and to bring some equity to the volumes of water used by these larger users.

This is important when most rates in the Buller are paid on a uniform basis (i.e. the same $ value per property). This means though that a residential property would pay the same rates as a property which uses water in a production/cleaning process by way of example and thus uses larger volumes of water. Charging water over an agreed volume (in Buller's case 400m3 per annum) brings some fairness to the charging process.

A policy of charging water on a meter used basis over a water supply must be uniform, as the charging for water is normally a combination of a uniform rate per property.

Buller District currently does this and is charged on a m3 basis, normally for each m3 of water used. To be equitable to all, such a charging approach should commence on one date.

The new government's approach to 3 waters management is likely to expect Councils in New Zealand charging for the cost of supplying water on a water used basis. This Council will need to consider this and ask and answer aspects of a charging policy such as:

- How much of the costs of the water supply should be funded by a uniform property rate and how much via a cubic metre (m3) charge.
- Should the m3 water charge be for all water used by a property or over an agreed m3 level – such as the current 400m3.

- What is the Council's policy to manage water leaks inside a property. i.e. who pays if there is a leak?

There are several Council's using water meters for charging so there will be no need to reinvent the wheel as such but learn from their implementation experience.

Charging for wastewater by meter is not possible under the rating act, but government changes to 3 waters management may allow this opportunity in the future. The only Council area in New Zealand where meter charges are used for wastewater is Auckland and their approach applies a % of water used by a property as the volume of water discharged as wastewater.

A summary of the number of properties that would need to have a water meter installed over the Council water supplies can be extracted from the Funding Impact Statement in the draft 2024/2025 enhanced annual plan. Some of the properties listed below will have had water meters installed already but from a prudence perspective, allowing for the existing meters to be replaced as part of a meter installation program would be advisable.

Table 2 – Unit rates

Water Targeted Rate Connected Assessed on each rating unit connected to a municipal water supply that does not have a water meter installed			
Water Supply Scheme Rates	**Rate per SUIP (GST inclusive)**	**Rating numbers**	**Estimated Revenue (GST inclusive)**
Westport	$1,362.00	3,125	$4,256,795
Reefton	$1,293.00	723	$935,020
Mokihinui	$478.00	47	$22,466
Ngakawau-Hector	$357.00	177	$63,332
Waimangaroa	$1,311.00	143	$187,473
Little Wanganui	$382.00	46	$17,549
Inangahua Junction	$1,194.00	29	$34,387
Punakaiki	$1,431.00	89	$127,645

The total rating numbers above is 4,379.

The estimated average cost of installing a water meter is $1,300 plus GST and includes the meter purchase and the installation of the water meter in the footpath berm. Each installation will be slightly different depending on whether there is a need to consider a footpath, trees, and other complications on site.

The estimated total cost to install is $5,693,000. This should be considered at the high end of any estimate as it does not allow for bulk purchase and installation by a contractor as a contract for water meter installation would expect. If bulk purchasing discounts the above estimate by say 20%, then the estimated cost is $4,500,000.

To put this cost into perspective, the total proposed rates to be levied in 2024/2025 is $5,645,000 (GST Inclusive) or $4,908,000 (GST Exclusive).

Deciding to install water meters for all water connections on the basis that the cost is like the $ value of rates to be levied in the 2024/2025 rating year may not appear prudent but meters are installed for a variety of reasons:

- Charging by meter reflects a “pay for what you use” approach.
- Consumers tend to be more prudent with their water use when they are aware of exactly what they use and the cost of the water they use.
- Understanding how much water is used and where, in a water supply, allows data on water use to be considered in making decisions about renewing the water supply.
- If there is a drop in the water use in a water supply based on consumers being aware of their specific water cost is, then there should be a reduction in costs driven by water use such as electricity for water pumping etc.

Some may consider adding a budget of this $ value, even if spread over years, is not financially possible. However, if charging for water by meter is deemed a priority, then reallocating other capital budgets to water meter installation may be appropriate.

Staff would note that whether water meters should be installed for every property connected to the water supplies of the Council should be decision independent from whether the proposed change in how water and wastewater rates are levied should be confirmed.

If the proposed water and wastewater rating system changes are implemented from 1 July 2024, several ratepayers do pay higher levels of rates than currently. However, the majority of Westport and Reefton ratepayers connected to the water supply and wastewater supplies pay a lower uniform rate than they would under the existing policy. The extract below is from the draft enhanced annual plan.

Location Type of Targeted Rate	Westport Water	Westport Wastewater	Reefton Water	Reefton Wastewater
Rate per Connection including GST Under Existing Policy	$ 1,463	$ 1,237	$ 1,408	$ 930
Rate per Connection including GST Under Proposed Policy	$1,361	$1,130	$1,293	$854
Reduction in Rate per Connection including GST under Proposed Policy	-$102	-$107	-$115	-$76
Increase in Rate per Connection including GST under Existing Policy	$102	$107	$115	$76

The final comment about whether water meters should be installed for all properties should be a consultation issue in a Long-Term Plan, i.e. the 2025 - 2034 LTP for next year and due to the level of investment required, would be seen as a longer-term solution. As part of the conversation around water-meters, it will also need to involve the ongoing connection fee required.

Meters could still be installed on properties deemed to be larger users of water and charged accordingly. Property owners can always install meters inside their boundary if they wish to manage/understand their own water consumption/use within their property.

3.3 Level Of Water And Wastewater Rates From 1 July 2024

Council staff are reviewing:

- The cost of operating the various water and wastewater systems in 2023/2024 compared to budgets.
- What the cash balance in each water or wastewater supply is and if the recovery of any deficit balance is still appropriate and
- If any of the budgets proposed for 2024/2025 could be reduced, based on expenditure history, or conversely if budgets need to be increased based on updated knowledge of the cost of operating the system.

Updates on the above points may allow proposed rates increases to be reduced but also may suggest increases. Staff appreciate that any increase that can be minimised is helpful to the ratepayers. However, the Council must be mindful to ensure that the Council's own financial position for the water and wastewater system is prudent.

Information on potential changes will be provided as soon as available.

3.4 Increased Rates Under Proposed Charges Where The Ratepayer Is Charging Rent

A number of ratepayers are landlords and raised the challenges for them to recover increased rates under the proposed change when they have limited ability to change their level of rents at short notice.

This challenge is acknowledged but it is noted it is a challenge for all ratepayers where the Council increases rates, and a ratepayer struggles to meet the increased level of rate. The proposed change would be more challenging for landlords because of the removal of the differential where multiple dwellings located on a property pay lower rates then individual dwellings on properties pay the standard rate. The proposed change will bring fairness as to how uniform charges are levied.

Council staff would not be proposing any remission policy, even if just for 12 months, but would suggest that landlords struggling to meet the changes in rates work with staff to allow increased rates levels to be paid over a longer period than 12 months.

3.5 Connection Charges For Physical Connections

Properties that can be serviced may now seek to be connected. A question arises as to who pays the connection fee.

Currently the Council charges properties to connect to the reticulation point most appropriate to be connected to. The cost of this varies quite considerably depending on what needs to be done to connect, i.e. if road infrastructure etc. needs to be dug up. The property owner also funds the reticulation etc. that needs to be installed on their property to make the connection.

An option to consider is whether the Council funds the cost of the connection, or the cost of the connection to say an agreed value, on the basis that future rates income funds such costs and adds new income to the rates account.

3.6 Request For A Policy On SUIP Remissions

Many submitters have requested the Council to reconsider the policy of using SUIPs for levying rates, particularly where an additional SUIP on a property was constructed for a family member.

The best example to consider for this request is where an elderly relative is living in a separate dwelling unit away from the main dwelling and is not being charged rent. In such situations it would be appropriate not to charge but a question arises when the unit is vacated and thus could be rented to others.

The proposed policy would rate the additional unit for water and wastewater, but some submitters have said they would not rent the unit to other than family in the future so seek a remission. The Council's challenge is having a policy where if they allow the remission for one year, how do they know the ratepayer would advise when they are renting to others and should be paying additional rates.

Some Councils have resolved this problem by requiring a property owner to sign a declaration under the Oaths and Declarations Act 1957 which means that if the ratepayer is found to have been given a remission which it turns out in the future should not have been given, then the declaration allows the Council to reconsider the previous eligibility and makes decision on collecting previously remitted rates.

Such a remission policy should only apply in situations where an additional dwelling is used by a family and no rent is paid. Attached to this report is an example of the policy used by Waitaki District Council which staff believe would be appropriate to implement from 1 July 2024.

4. CONSIDERATIONS

4.1. Strategic Impact

The Annual Plan document is an integral part of the planning and delivery of Councils Strategic vision and obligations. The principal role of an Annual Plan is to allow for budgeted adjustments to Councils principal planning document the Long-Term Plan.

4.2. Significance Assessment

The significance and engagement policy sets out the criteria and framework for a matter or transaction to be deemed significant.

The enhanced annual plan is of high significance as it contains the Council's budget for the financial year ending 30 June 2025, including its financial forecasts, capital programme, operational plans, and rates.

However, as Council continues to follow the original strategy set out in the Long-Term Plan that was audited and publicly consulted on, and the Annual Plan contains no significant variances from that plan, the significance of the decisions recommended in this report is low.

Any decision not to adopt the Annual Plan would be of a higher level of significance.

4.3. Risk Management Implications

Risk is assessed by considering the likelihood of an event occurring, and the result of that event.

The enhanced annual plan process and adoption of the relevant documents is a statutory requirement of local authorities. Adoption of the final Annual Planenables the legal process for setting rates and consequently the operation oflocal authorities.

4.4. Values

These align with the Buller District Council's values. These are formed as part of the Long-Term Plan and Annual Plan process and are approved by the elected members in line with the community outcomes.

4.5. Policy / Legal Considerations

The Local Government Act 2002 governs the activities of Buller District Council and sets out the requirement for consulting and adoption of the Enhanced Annual Plan.

This report assists with two key purposes of that Act (located at section 3) stating the purpose of the act is to promote the accountability of local authorities to their communities and provide for local authorities to play a broad role in meeting the current and future needs of their communities forgood-quality local infrastructure, local

public services, and performance ofregulatory functions.

4.6. Tangata Whenua Consultation Considerations

The Enhanced Annual Plan document provides an opportunity for consultation with Tangata whenua.

4.7. Views of Those Affected

As part of the Enhanced Annual Plan 2024-2025 Buller District Council have undertaken a consultation process to outline 2 key areas for discussion.

There have been multiple drop-in sessions around the district throughout. Both staff and Councillors attended the drop-in sessions and answered questions from those around the community.

As part of the consultation, we offered to discuss other aspects of the plan the community wanted to comment on.

4.8. Costs

There are no costs associated with the results but if the Council do not adopt the proposed water and wastewater policy it would have an impact on the individual ratepayers cost associated with both.

4.9. Benefits

Adoption of the Enhanced Annual Plan within statutory timeframes enables Council to set and collect the required amount of rates to deliver the services outlined in the plan.

4.10. Media / Publicity

It is expected that there will be media and public interest in the outcome of the Enhanced Annual Plan process.

Example

Waitaki District Council

Waitaki District Council – SUIP Remission Policy

Remission on multiple dwellings with a common use on one rating unit

These ratepayers who are charged an additional Uniform Annual General Charge (UAGC), Uniform Annual Charge (UAC), and certain targeted rates on Multiple Residential and Lifestyle Properties may apply for a full or part remission.

Policy Purpose

To remove UAGC, UAC charges, and certain targeted rates (Sewer Pan, Water (only in respect to the uniform charge for those properties that are not metered), Water reticulation, and Hall levies) rated on residential and lifestyle properties when circumstances dictate that it would be inappropriate to charge them.

Conditions and Criteria

The remission will apply in the following circumstances:

1. Where there are multiple dwellings recorded on the Valuation Records, but which are not actually being used as dwellings or may be unable or incapable of being inhabited.
2. Where there are multiple dwellings, but they are being used exclusively by members of the direct family of the ratepayer (e.g., granny flats, teenagers, extended family) and are not leased or rented currently, or for any period of the previous year, and not intended to be leased or rented for the next rating year.
3. Where there are multiple dwellings, but one or more are being used by live-in caregivers (i.e., persons who would normally "live in" if the ratepayer's primary accommodation had been large enough in the first instance).

Procedure

1. Applications for the remission must be made in writing on the appropriate form by the ratepayer each year. A signed annual declaration is required to support the application.
2. Once approved the remission will apply from the start of the next rating year. No consideration will be given to applications relating to the current or previous rating years.
3. If the circumstances of a ratepayer who has been granted a remission under this policy changes, such that the relevant criteria are no longer satisfied, the ratepayer must inform Council within 30 days. Council may re-determine that ratepayer's eligibility for a remission under this policy.
4. The rate remission is for one year and must be received no later than 31st of May 2024.

Each application will be considered on its merits against the criteria which will be taken into account in deciding whether a remission will be granted:

- Are there physical conditions which would make it inappropriate or impractical for the additional dwellings or flats to be inhabited?
- Is there a dependency relationship between the primary ratepayer and the occupiers of the flat/dwelling?
- Is it otherwise sensible under the circumstances for a remission to be given?

Delegated Authority

The Council or its delegated officer(s) as set out in the Council's delegation resolution shall determine the extent of any remission based on the merits of each situation.

Waitaki
DISTRICT COUNCIL

Waitaki District Council Ratepayer Application Form for Remission on additional SUIP units			
Ratepayer Name:			
Property Location:			
Valuation Number:		**Assessment Number:**	
Reason for Applying for Remission:			
How many Dwellings are on the rating unit? *(Dwelling/flat/unit)*			
If the dwelling is not being used for that purpose, please advise why this is.			
If unable or incapable of being inhabited. *(If it is **unable** of being inhabited, please advise why. If it is **incapable** of being inhabited or used as a dwelling you will need to supply current photos and advise what plans you may have to change this in the near future)*			
Is the secondary Dwelling/flat/unit occupied by a direct family member? *(e.g., parent, son/daughter, extended family)*			**Yes** **No**
Is the secondary Dwelling/flat/unit occupied by a live-in caregiver for a family member?			**Yes** **No**
Is the secondary dwelling/flat/unit currently leased or rented? *If Yes, please provide detail e.g., lease term*			**Yes** **No**
Was this dwelling/flat/unit leased or rented in the previous year?			**Yes** **No**
Do you have any plans to lease/rent this for the next rating year?			**Yes** **No**
Where there is both a dwelling and a business venture on one rating Unit that are separately accessible and a prerequisite for efficient operation of the business – are they both occupied/run by either the owner or a lessee?			**Yes** **No**
Name of Occupier of Dwelling			
Does the owner/ occupier of the dwelling also run the business? *If "no" please advise the name of the business operating at this property*			**Yes** **No**
Where the rating unit is used for both residential and business purposes, please advise if both the residential and business are used by the same ratepayer			**Yes** **No**

Please return the completed Application Form along with the Declaration to:
Waitaki District Council, Private Bag 50058, 20 Thames Street, Oamaru 9444
Or email to service@waitaki.govt.nz
Attention Rates Supervisor

Waitaki
DISTRICT COUNCIL

Waitaki District Council Ratepayer Application Form for Remission on additional SUIP units

Ratepayer Name:			
I/we declare as follows: I/We are the registered proprietors of the land situated at			
Property Location:			
Valuation Number:		**Assessment Number:**	

I/We have read and fully understand the Conditions and Criteria (as below) and confirm that this is relevant to my/our situation. The application form has been completed and is attached.

Conditions and Criteria

The remission will apply in the following circumstances:

1. Where there are multiple dwellings recorded on the Valuation Records, but which are not actually being used as dwellings or may be unable or incapable of being inhabited.
2. Where there are multiple dwellings, but they are being used exclusively by members of the direct family of the ratepayer (e.g., granny flats, teenagers, extended family) and are not leased or rented currently, or for any period of the previous year, and not intended to be leased or rented for the next rating year.
3. Where there are multiple dwellings, but one or more are being used by live-in caregivers (i.e., persons who would normally "live in" if the ratepayer's primary accommodation had been large enough in the first instance).

Procedure

1. Applications for the remission must be made in writing on the appropriate form by the ratepayer each year. A signed annual declaration is required to support the application.
2. Once approved the remission will apply from the start of the next rating year. No consideration will be given to applications relating to the current or previous rating years.
3. If the circumstances of a ratepayer who has been granted a remission under this policy changes, such that the relevant criteria are no longer satisfied, the ratepayer must inform Council within 30 days. Council may re-determine that ratepayer's eligibility for a remission under this policy.
4. The rate remission is for one year and must be received no later than 31st of May 2024. *Should this application not be received by the 31st of May 2024, the full rates will be charged and will be subject to further application by the ratepayer.*

I/We make this solemn declaration conscientiously believing that the same to be true and by virtue of the Oaths and Declarations Act 1957

Declared at

Dated this day of 202

Full Name (Please print)

Signature

Waitaki District Council,
20 Thames Street, Private Bag 50058, Oamaru 9444

BULLER DISTRICT COUNCIL

EXTRAORDINARY MEETING

11 JUNE 2024

AGENDA ITEM: 4

Prepared by Douglas Marshall
Finance Support

Reviewed by Paul Numan
Group Manager Corporate Services

Attachments 1. Schedule Of Carry Forwards For 2024-2025

ISSUES AND FUNDING REQUESTS TO CONSIDER FOLLOWING THE 2024-2025 ENHANCED ANNUAL PLAN SUBMISSION HEARINGS PROCESS - DELIBERATIONS

1. REPORT SUMMARY

This report's purpose is to outline the outcome from the consultation process on the Enhanced Annual Plan (EAP). This report outlines the funding requests received from the submission process and highlights the other key topics that have been heard throughout the written, as well as oral submissions.

2. DRAFT RECOMMENDATION

That Council:

1. **Consider the submissions as well as the key topics raised.**
2. **Consider which grant funding requests are to be included in the final Enhanced Annual Plan Document.**

3. ISSUES & DISCUSSION

The following topics relate to subjects of common interest raised during the submission process.

3.1 Funding Position Adjustments Since The Draft EAP Was Adopted

Council staff have reviewed several possibilities for cost savings, while several other considerations are listed in this report.

There is a saving from the NZTA-funded program being lower than the draft EAP anticipated, reducing the general rate. That reduction has a 2.9% impact on the general rate and a 1.7% reduction on total rates.

An indicative summary of savings and the impact on rates is noted in the following table. During the deliberation process, the Council can consider which of these indicative savings it wishes to use in the final EAP. The Council may also wish to adjust the work program based on the submissions made.

RECOMMENDED

Proposed Changes	General Rates	Targeted Rates	Total Rates
Draft EAP	16.7%	24.3%	**19.7%**
2% reduction excl staff and roading	-1.1%	-1.2%	**-1.1%**
Carryovers timing adjustment	-2.0%	-2.7%	**-2.3%**
Reduce Local Road programme to align with NZTA indicative allocation 7 June	-2.9%	0.0%	**-1.7%**
Final EAP	10.8%	20.4%	14.6%
Option 1 in addition to recommended			
Opex savings	-0.6%	-2.8%	**-1.5%**
Final EAP	10.2%	17.5%	13.1%

The Opex (Operational Savings) relate to expenditure for water and wastewater supplies in areas where, if the budget was not needed for operational costs during the financial year, then the budget could be allocated to an enhanced renewal programme. Staff do not recommend **option 1** above on that basis.

3.2 Requests For New/Current Funding To Be Retained

Please find below a list of all the funding requests received during the Enhanced Annual Plan consultation process. There are certain requests already included as part of the Long-Term Plan 2021-2031, which will roll over into the EAP fiscal year.

As part of the requests, we have also included the submission number, what the funding requested is and what the total rates impact they have on the district are.

No.	Forename	Surname	Organisation	Funding requested - $ only. + rate impact
18	Peter	Gibson	Market Cross Community Group Inc	**$3,000 $2.5k included in existing budgets $500 would have a 0.0025% total rate impact**
44	Jane and David	Orchard	Waimangaroa Subcommittee	**$39,796 (Property @Michael Duff approx. 0.03% rate impact)**
130	Nicki and Dale	Singleton/ Ashworth	Te Reo a Te Taiohi	**$10,000 $10k included for in existing budget for 'youth development'**
139	Brian	Jones	Karamea Community Incorporated	**$1,500 Included in existing Reserve budgets**
225	Jessica	Paley - Atkins	Buller Promotion Group	**$10,000 New request. $5k p/a budget for economic development in existing budgets, additional $5k pa/ would have a 0.025% total rate impact.**
542	Kath	Rose	Northern Buller Communities Society Inc	**$9,432 $5.5k included in existing budgets. Additional 5k would be approx. 0.025% total rate impact**
545	Francis	O'Brien	The Lyric Theatre	**$3,000** This is currently not included in the existing budgets. A rates impact for $3k p/a would be approx. 0.018%
548	Charlotte	May	Northen Buller Museum Granity	**$12,000** $12,000 would be approx. 0.085% increase.
550	Susan	Waide	Karamea information and Resource Centre	**$10,300** 1. That Council agrees to renew the Annual Grant of $8000 towards maintenance of the Love Binz. 2 That Council agrees to renewing the Annual Grant of $8000 for the public toilets. 3 That Council considers

				agreeing to the request for an additional $1,500 to repaint the inside of the public toilets or a lessor some, to be funded from the Community Grants scheme.
555	Susan	Waide	Karamea Information and Resource Centre	**$28,000 $25k included in existing budgets. Increase of 3k p/a would have approx. 0.015% rate impact**
587	Toni	O'Keefe	Seddonville Reserve Committee	**$60,720 Not included in existing budgets. Approx 0.3% total rate impact**
609	Rosalie	Sampson	Karamea Historical Society	**$10000, ($5000) more than in LTP $5k p/a in existing budgets. Additional $5k p/a would have approx. 0.025% total rate impact**
611	Frances	O'Brien	Coaltown Trust	**$111,016 – This is already included in the existing budgets**
617	Phil	Rossiter	Mokihinui-Lyell Backcountry Trust	**$30,000 Included in existing budgets**
623	Graeme	Neylon (Deputy Chair ICB)	Inangahua Community Board	**$20,000 $5k included in existing budgets as ICB sundry funds. Increase of $15k pa/ would have a 0.075% rate impact**

As part of the hearings process there were three more requests to be considered:

Request	Impact on rates
De Delmanches Road Upkeep	$20k per annum - 0.10% increase to total rates
Sealing roads through Russell Street, Wakefield, and Lyndhurst Street	
Public toilets in Charleston	There are public toilets in Charleston already in Constance Bay supplied and maintained by DOC. If there are further requests for more toilets, this will require significant investment.

3.3 Reduction In All Costs Excluding Transportation And Costs Of Staff By 2%

One option is to reduce all costs by a set %. Such a reduction should not include transportation as savings have already been achieved.

Staff have only allowed a conservative general movement in remuneration with the main lift in staff costs being noted below with specific roles needed to deliver the planned services, meet compliance requirements or as for roading/transportation, deliver the programme planned.

A 2% drop in costs as noted above would reduce total rates by 1.1%.

3.4 Carry Forwards Schedule Of Projects From 2023/2024 Financial Year To 2024/2025 Financial Year

A number of projects will not be completed prior to 30 June 2024 and will need to be carried forward into the 2024/2025 financial year to be completed. This delay in timing does have an impact on rates requirement in the 2024/2025 financial year as the assumption in preparing the draft 2024/2025 EAP was that an projects total loan funding would be drawn down at the end of the 2023/2024 financial year and depreciation on these assets would start to be fully funded from 2024/2025.

Due to the delay, in project delivery, that will not be the case and a reduction in rates can be achieved.

Please find a schedule of carry forwards as **Attachment 1** in this report.

Staff will work through these specific savings for each targeted rate account in particular, and they will be included for adoption in the final Annual Plan.

The timing changes due to carry forwards reduces total rates by 2.3%.

3.5 Cost Of Staff Remuneration Costs

Employee remuneration and benefits have risen $818k from 2023-2024 based on the following-

- New roles include IS Planning Regulatory Information and Development Engineer,
- 0.5 FTE HR Advisor and Finance restructure,
- Does include 2x new transport roles covered under NZTA programme changes as this is included in the NZTA programme funding.
- RMA Planner role has been deferred.

3.6 Cost Of Consultants

In 2024/2025, the proposed budget for consultants is $3,583,022.

The term consultants have a wider definition in the Council budgets than a standard term called “professional experts” as the BDC definition of consultants also includes the cost of contractors in some instances.

Two examples below are the dredge crew, who are mainly contractors, and payments to Buller Recreation Centre Limited for managing the PERC and Reefton pool.

Consultants are seen by some as expensive, and it would be better to employ staff who are cheaper.

The consultants that Buller District Council use undertake highly technical work for projects which are not often undertaken and thus employing staff for such technical work is not prudent.

A summary of the consultants' budget in 2024/2025, compared to the 2023/2024 financial year and how these costs are funded is noted below:

Main items for which consultants used	2023/24 AP	2024/2025 AP	Main funding sources
Dredge crew	807,308	906,625	External fees
Computer Services - software support	128,600	160,700	Internal recoveries
Transportation - technical support/asset mgmt	66,399	434,855	NZTA 75% or 100%/General rates 25% or 0%
Asset management - 3 waters valuations	191,069	240,000	Targeted rates
Audit fees	147,000	195,000	General rates
Management fees for PERC/Reefton	851,000	906,000	General rates
Environment Health services	65,582	67,222	General rates/fees and charges
Resource Consent processing	140,080	143,582	General rates/fees and charges
General consulting/legal	564,594	529,038	General rates/fees and charges
	2,961,632	**3,583,022**	

3.7 Other Key Topics

Affordability

Affordability emerged as one of the key topics during the submission process, with many of the community emphasising its critical importance. There was a community group within the district who put together their own submission form which received nearly 400 responses relating to affordability. Throughout the process BDC has undertaken multiple budget reviews and analysis to explore various avenues for addressing affordability issues.

Earlier on in the process we had projected rates rise of over 30%. Staff have taken the communities and elected members feedback on board and have managed to cut that number back significantly.

This proposed adjustment will help ensure the continued provision of essential services while striving to balance the financial impact on our community.

Other Key Topics

The other key things that were submitted on, were around the cost and usage of consultants as well as the 2 consultation topics around the roading programme as well as the proposed rating for water and wastewater policy. These are found separately in the other two reports that are on the agenda today.

4. CONSIDERATIONS

4.1. Strategic Impact

The Annual Plan document is an integral part of the planning and delivery of Councils Strategic vision and obligations. The principal role of an Annual Plan is to allow for budgeted adjustments to Councils principal planning document the Long-Term Plan.

4.2. Significance Assessment

The significance and engagement policy sets out the criteria and framework for a matter or transaction to be deemed significant.

The enhanced annual plan is of high significance as it contains the Council's budget for the financial year ending 30 June 2025, including its financial forecasts, capital programme, operational plans, and rates.

However, as Council continues to follow the original strategy set out in the Long-Term Plan that was audited and publicly consulted on, and the Annual Plan contains no significant variances from that plan, the significance of the decisions recommended in this report is low.

Any decision not to adopt the Annual Plan would be of a higher level of significance.

4.3. Risk Management Implications

Risk is assessed by considering the likelihood of an event occurring, and the result of that event.

The enhanced annual plan process and adoption of the relevant documents is a statutory requirement of local authorities. Adoption of the final Annual Plan enables the legal process for setting rates and consequently the operation oflocal authorities.

4.4. Values

These align with the Buller District Council's values. These are formed as part of the Long-Term Plan and Annual Plan process and are approved by the elected members in line with the community outcomes.

4.5. Policy / Legal Considerations

The Local Government Act 2002 governs the activities of Buller District Council and sets out the requirement for consulting and adoption of the Enhanced Annual Plan.

This report assists with two key purposes of that Act (located at section 3)stating the purpose of the act is to promote the accountability of local authorities to their communities and provide for local authorities to play

a broad role in meeting the current and future needs of their communities for good-quality local infrastructure, local public services, and performance ofregulatory functions.

4.6. Tangata Whenua Consultation Considerations

The Enhanced Annual Plan document provides an opportunity for consultation with Tangata whenua.

4.7. Views of Those Affected

As part of the Enhanced Annual Plan 2024-2025 Buller District Council have undertaken a consultation process to outline 2 key areas for discussion.

There have been multiple drop-in sessions around the district throughout. Both staff and Councillors attended the drop-in sessions and answered questions from those around the community.

As part of the consultation, we offered to discuss other aspects of the plan the community wanted to comment on.

4.8. Costs

There are costs associated with the decision as to which grants are accepted and will have a part to play in the final budget for the 2024/2025 fiscal year.

4.9. Benefits

Adoption of the Enhanced Annual Plan within statutory timeframes enables Council to set and collect the required amount of rates to deliver the services outlined in the plan.

4.10. Media / Publicity

It is expected that there will be media and public interest in the outcome of the Enhanced Annual Plan process.

Schedule of carry forward projects from 2023/2024 to 2024/2025

Activiity	Carry forward 2023/24 to 2024/25	Description of project that is being carried forward
Reserves		
Playgrounds & Equipment	22,214	Ongoing replacement of old equipment that needs renewed/replaced
Tourism Infrastructure Funds (TIF funded projects)	1,258,608	Tauranga Bay approval from IWI imminent. Need PP signed off for Punakaiki and Mokinui Campground
Punakaiki Camping Ground		
Local funds to supplement TIF funds	373,464	Committed and part of TIF project
Pensioner Housing - Karamea		
Other Assets	39,427	C/F into a general renewal fund across Karamea, Reefton and Westport
Pensioner Housing - Reefton		
Other Assets	47,558	C/F into a general renewal fund across Karamea, Reefton and Westport
Carnegie Library		
Seismic improvement project	499,115	Carried over as per discussion at council meeting to allow for local funding application to be made for local share
Victoria Sq Sports Complex		
Other Assets	70,329	Landscaping and Barbeque
Buildings - Permanent	161,948	Seismic Strengthening on hold. Council to consider alternate options for a civil defence EOC that is built to IL4.
Clocktower Chambers		

Activiity	Carry forward 2023/24 to 2024/25	Description of project that is being carried forward
Buildings - Equipment	299,131	Waiting for Building Consent Exemption to be approved, all other reports and assesments done
Brougham St Chambers Bldg		
Buildings - Permanent	225,000	HVAC installation not yet commenced
Coaltown Museum		
Buildings Special	56,897	Awaiting information from the Trust and Pounamu Walkway on the best use of these funds that enhance the recent experience upgrade.
Transport & Urban Development		
Replacement Street Banners		
Other Assets	21,672	Abanners not replaced in 2023/2024 but they generally only last one season so funds will be used early in the 2024/2025 financial year.
Property total	3,075,363	
Sewerage Schemes		
Westport Sewer		
Minor Capital	18,005	
Treatment Plant	200,058	Major upgrade of wastewater treatment plant which is a mulit year project
Pipeline & Pumpstation	1,607,371	Major upgrade of wastewater system not completed in 2023/2024 but still required.
Other Capital	719,983	Work programme needs to be developed and reported on in first 1/4 as to how this work will be delivered by 30 June 2025
Sewer Modelling & Separation	34,940	Major upgrade of wastewater treatment plant which is a mulit year project
Critical Spares	58,174	Major upgrade of wastewater treatment plant which is a mulit year project

Activiity	Carry forward 2023/24 to 2024/25	Description of project that is being carried forward
Reefton Sewer		
Other Capital	57,930	
Wastewater plant	166,230	Multi year project so funding will be spent in 2024/2025.
CCTV Survey	32,745	
Stormwater Network		
Other Capital	809,210	The carry forward is to allow for the work on the Cobben Street pipe which was damaged in either the 2021 or 2022 flood events
Water Supplies		
Westport Water		
Other Capital	692,378	Ongoing programme of work improvements
Drinking Water Standards (DWS)	321,057	Ongoing programme of work improvements
Back Flow Prevention	373,892	Ongoing programme of work improvements
WTP renewals	74,171	Ongoing programme of work improvements
Assessments, Strategies & Modelling	374,717	Ongoing programme of work improvements
Reefton Water		
Other Capital	53,402	
Drinking Water Standards		
Waimangaroa Water		
Drinking Water Standards (DWS)	270,037	Ongoing programme of improvements to meet compliance standards

Activiity	Carry forward 2023/24 to 2024/25	Description of project that is being carried forward
Cape Foulwind Water		
Minor Capital	91,212	Ongoing programme of improvements to meet compliance standards
Punakaiki Water		
New Water Supply DWS	179,257	Ongoing programme of work improvements
Total 3 waters	6,134,770	
Community Services		
Reefton Pool		
Buildings - Other	246,342	This project awaiting funding from Lotteries to supplement council funding
Buildings - Special	151,601	This project awaiting funding from Lotteries to supplement council funding
NBS Theatre		
Other Assets	374,136	Carry forward to install HVAC system in 2024/2025
	772,079	
Information Systems		
Extraordinary Capital	15,451	
Software - Other Projects	15,760	
Magiq upgrade	44,207	SharePoint MagiQ integration
Aerial Photography	21,617	Expect next installment due first Q24-25
Information Management	120,884	Digital Workplace Project (SharePoint implementation)
Equipment - Other Projects	32,435	Possible funding for Council Chamber AV upgrade

Activiity	Carry forward 2023/24 to 2024/25	Description of project that is being carried forward
System upgrade	44,042	Server migration to cloud
	294,396	
Transportation - Flood Recovery - return to service (RTS)		
Local Roads - July 2021	978,497	
Local Roads - February 2022	9,407	
Special Purpose Road July 2021	2,894,160	
Special Purpose Road February 2022	675,676	
	4,557,740	Majority funded by NZTA
Total carry forwards	**14,834,348**	

BULLER DISTRICT COUNCIL

EXTRAORDINARY MEETING

11 JUNE 2024

AGENDA ITEM: 5

Prepared by John Salmond
Senior Project Lead

Reviewed by Simon Pickford
Chief Executive Officer

2024-2025 ENHANCED ANNUAL PLAN DELIBERATIONS REPORT – CONSULTATION TOPIC 1 - WHAT DO BULLER DISTRICT COUNCIL DO IF THE NEW ZEALAND TRANSPORT AGENCY (NZTA) DO NOT FUND AS MUCH AS WE APPLIED FOR?

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1. REPORT SUMMARY

This report's purpose is to outline the outcome from the consultation process on the Enhanced Annual Plan. The first topic of consultation was what would happen if NZTA (New Zealand Transport Agency) do not fund as much as we applied for in our triennial funding.

2. DRAFT RECOMMENDATION

That Council:

1. **Consider the submissions.**
2. **Provide guidance on what option should be put into the final plan.**

3. ISSUES & DISCUSSION

3.1 Consultation Options

The options proposed to the community were as follows:

Option 1 - Reduce the programme to match the Waka Kotahi – New Zealand Transport Agency Approved Funding.

Option 2 - Continue with the submitted programme, and Council rate funds any difference for local roads and commits to higher rates for the next two

rating years. The quantum of $ and rates % increase is variable depending on the funding shortfall/work programme delivered.

Option 3 - Keep Council's level of funding as contained in the draft AP but reduce the overall programme to reflect Waka Kotahi's level of investment.

Through the submissions process BDC received 174 responses who gave their preference. 448 responses gave no view on their preference.

The outcome was as follows:

Option 1 – 96 of the submitters chose this option – (55.17%)
Option 2 – 16 of the submitters chose this option – (9.20%)
Option 3 – 62 of the submitters chose this option – (35.63%)

The consultation process was open from 12 April – 20 May, and as part of the previous Long-Term Planning process a review of the community outcomes took place. The most important topic identified by the community was the district's roading infrastructure.

The Transportation budget was a key discussion topic during the preparation of the draft LTP and then the draft EAP. The roading network is the biggest asset that the Buller community owns via the Council balance sheet and thus requires a strong focus on ensuring that level of service for the network is maintained.

3.2 NZTA Indicative Programme 2024 – 2027

The CEO received information on 6 June regarding the indicative funding Buller District Council will receive for the coming 3 years. The table below explains the costs of each of the key categories comparing the current programme 2021 to 2024, and the "bid" and indicative funding for 2024-2027.

Although Council did not receive the full programme funding requested, Council staff believe the programme funded will be more than acceptable. Some categories of funding are yet to be finalised and the impact of this noted further below.

The impact of the reduced programme results in a reduction of the Council's general rate requirement for funding of $323,000 in the 2024/2025 financial year.

This equates to a 2.9% saving on general rates and a 1.7% saving on total rates.

Activity Class	2021-24 Allocation at NLTP Adoption	2024-27 Requested (TIO Submission)	2024-27 Indicative Funding Allocation	Variance - increase/ (reduction)
Local Roads				
Local Road Pothole Prevention	6,770,000	10,892,414	10,890,000	($2,414)
Local Road Operations	4,890,000	10,572,532	9,239,000	($1,333,532)
Local Road Improvements - Bridge & Structure Renewals	1,050,000	2,820,000	2,650,000	($170,000)
Public Transport Services	156,000	169,815	170,000	$185
TOTAL LOCAL ROADS	**12,866,000**	**24,454,761**	**22,949,000**	**($1,505,761)**
Special Purpose Road				
Local Road Pothole Prevention - SPR	2,330,000	3,500,000	1,852,000	($1,648,000)
Local Road Operations - SPR	1,081,000	4,392,273	2,325,000	($2,067,273)
Local Road Improvements - Bridge & Structure Renewals -SPR	840,000	2,500,000	1,323,000	($1,177,000)
TOTAL SPECIAL PURPOSE ROAD	**4,251,000**	**10,392,273**	**5,500,000**	**($4,892,273)**
Local Roads + Special Purpose Road				
TOTAL ALL ROADS	**17,117,000**	**34,847,034**	**28,449,000**	**($6,398,034)**

The starkest reduction in the above table is the significantly reduced programme for the Special Purpose Road (SPR). However, this has no impact on the Council financially as the programme is fully funded 100% by the NZTA. The bigger issue to advocate for is the programme to not only be lifted to what is deemed required, but more importantly that the NZTA funding remain at the 100% level beyond 2027. This is an issue the Council must keep a focus on.

3.3 Programme Yet To Be Confirmed

As stated above, some items have yet to have any funding allocated by NZTA.

Based on the Government's stated lower priority to fund walking and cycling improvements, this category may not receive funding. From a Council funding perspective, when annualised and considered from the Council's annual general rate perspective, if the total cost of $2,100,000 over 3 years was not funded, this would result in $175,000 of the general rate being reduced or reallocated. Staff advice would be to keep the level of funding that is currently in the budget as a provision and if the funding didn't come through from NZTA as expected then there would be a report brought back to Council to establish what the next steps are for that money.

The special purpose road item is 100% NZTA funded so it has no impact on the Council's general rate funding.

Further bids in TIO not included in the above		2024-27 Requested (TIO Submission)	2024-27 Indicative Funding Allocation
Local Roads			
Walking and cycling improvements (WC124,125,225)		2,100,000	?
Activity Planning (WC003)		309,999	?
Safety Promotion and Advertising		159,999	?
Low Cost Low Risk Improvements (WC341)		2,380,757	?
TOTAL LOCAL ROADS		**4,950,755**	
Special Purpose Road			
Low Cost Low Risk Improvements (WC341)		7,332,000	?
TOTAL SPECIAL PURPOSE ROAD		**7,332,000**	

3.4 Omau Road intersection improvements - programme yet to be confirmed

A major project that is yet to be confirmed for funding is the Omau Road intersection at Cape Foulwind.

The total cost is $1,650,757, with BDCs share of $412,690 being funded by a ten-year internal loan. The cost of that annual borrowing, which is general rate funded is $22,903 in 2025/2026 and $53,333 p.a. thereafter, due to staggering the project over the next two years.

Council staff bring this funding approach to the attention of the Council as we don't believe that we documented it adequately during the budget preparation and due to the cost of the project and the financial commitment, we draw it to Councillor's attention now. Choosing not to undertake this work would cause a health and safety risk in one of our key areas of tourism for both cycling and walking.

4. CONSIDERATIONS

4.1. Strategic Impact

The Annual Plan document is an integral part of the planning and delivery of Councils Strategic vision and obligations. The principal role of an Annual Plan is to allow for budgeted adjustments to Councils principal planning document the Long-Term Plan.

4.2. Significance Assessment

The significance and engagement policy sets out the criteria and framework for a matter or transaction to be deemed significant.

The Annual Plan is of high significance as it contains the Council's budget for the financial year ending 30 June 2025, including its financial forecasts, capital programme, operational plans, and rates.

However, as Council continues to follow the original strategy set out in the Long-Term Plan that was audited and publicly consulted on, and the Annual Plan contains no significant variances from that plan, the significance of the decisions recommended in this report is low.

Any decision not to adopt the Annual Plan would be of a higher level of significance.

4.3. Risk Management Implications

Risk is assessed by considering the likelihood of an event occurring, and the result of that event.

The annual plan process and adoption of the relevant documents is a statutory requirement of local authorities. Adoption of the final Annual Planenables the legal process for setting rates and consequently the operation oflocal authorities.

4.4. Values

These align with the Buller District Council's values. These are formed as part of the Long-Term Plan and Annual Plan process and are approved by the elected members in line with the community outcomes.

4.5. Policy / Legal Considerations

The Local Government Act 2002 governs the activities of Buller District Council and sets out the requirement for consulting and adoption of the Annual Plan.

This report assists with two key purposes of that Act (located at section 3)stating the purpose of the act is to promote the accountability of local authorities to their communities and provide for local authorities to play a broad role in meeting the current and future needs of their communities for good-quality local infrastructure, local public services, and performance ofregulatory functions.

4.6. Tangata Whenua Consultation Considerations

The Annual Plan document provides an opportunity for consultation with Tangata whenua.

4.7. Views of Those Affected

As part of the Enhanced Annual Plan 2024-2025 Buller District Council have undertaken a consultation process to outline 2 key areas for discussion. There have been multiple drop-in sessions around the district throughout. Both staff and Councillors attended the drop-in sessions and

answered questions from those around the community.

As part of the consultation, we offered to discuss other aspects of the plan the community wanted to comment on.

4.8. Costs

There are no costs associated with the results but whatever decision is taken from the elected members could have a rates impact on the community.

4.9. Benefits

Adoption of the Annual Plan within statutory timeframes enables Council to set and collect the required amount of rates to deliver the services outlined in the plan.

4.10. Media / Publicity

There will be media and public interest in the outcome of the Enhanced Annual Plan process.

BULLER DISTRICT COUNCIL

EXTRAORDINARY MEETING

11 JUNE 2024

AGENDA ITEM: 6

Prepared by Eric de Boer
Manager Infrastructure Delivery

Reviewed by Mike Duff
Group Manager Infrastructure Services

Attachments 1. Rubbish Collection Consultation – Submission Results
2. In-District Landfill Cost

Public Excluded: No

ZONE 1 RUBBISH COLLECTION CONSULTATION – DELIBERATIONS REPORT

1. REPORT SUMMARY

The report's purpose is to provide a summary of the Hearings carried out on 5 June 2024 regards to the Zone 1 Rubbish Collection Consultation Submission. The reports also look to inform discussion on the most common frequently asked questions identified during the consultation procedure.

2. DRAFT RECOMMENDATION

That Council:

1. **Considers the submissions.**
2. **Provides guidance on what option should be put forward for Council decision making at its June 2024 meeting.**

3. ISSUES & DISCUSSION

BACKGROUND

3.1 First Submission Consultation Round (2023)

Council consulted with the community on the proposed changes to the rubbish collection for Zone 1 between 7 August and 8 September 2023. The proposal at that time included:

1) A shift from using 60 litre rubbish bags to having a 120-litre wheelie bin provided by Council.
2) Mandatory rubbish and recycling collection.
3) Changing from weekly to fortnightly collection of rubbish.
4) Paying for rubbish and recycling collection through rates (rather than buying rubbish bags) i.e. a universal charge.

In total 339 submissions were received and overall, 73% of the submitters expressed that they opposed or strongly opposed to the proposal.

3.2 Second Submission Consultation Round (2024) – This Special Consultative Procedure (SCP)

At the December 2023 Council meeting, Council resolved to reconsult with the community on the Zone 1 rubbish collection proposing four options:

Option 1 Status Quo - Private sector provides a weekly pre-paid bag and wheelie bin collection via Pay As You Throw. Contractor sets pricing and charges for the service.

Cost $9.10 per 60L bag. (actual cost)

Option 2 Private sector provides a 120L fortnightly wheelie bin collection via Pay As You Throw. Contractor sets pricing and charges for the service

Cost $24.50 per pick (estimated cost)

Option 3 Council, through a private contractor provides a fortnightly wheelie bin collection with a single 120 litre bin size, Pay As You Throw. Council sets pricing and charges for the service (each household will receive a 120-litre wheelie bin).

Cost $17.00 per pick (estimated cost)

Option 4 Council, through a private contractor provides a fortnightly wheelie bin collection with several different bin size options, i.e. 80 litres, 120 litres or 240 litres. Council sets rate for each bin size and charges via

targeted rate (each household will receive a 120-litre wheelie bin unless they opt for a different size).

Cost $245 per annum per 80L bins (estimated cost)

$295 per annum per 120L bins (estimated cost)

$445 per annum per 240L bins (estimated cost)

In total 150 submissions were received. Most respondents favoured staying with the Option 1 which was the status Quo (35%) following by Option 4 which is a universal bin service funded via rates (30%). Of the written submitters a total of 10 submitters were scheduled to speak their submissions.

The full rubbish consultation results are available in **Attachment 1** of this report.

3.3 Zone 1 Rubbish Consultation Hearings

The Hearings took place on 5 June 2024. Ten (10) submitters were scheduled to talk, only six (6) of them attend to talk their submissions.

The table below summarises the points discussed by the speakers:

Speaker name	Discussion
Mary McGill Andrews	Council should work in reduction of waste. Larger bins encourage more waste. Taking rubbish to Tasman does not make sense.
Kair Lipiat	More bins encourage more waste. Council should implement the zero-waste journey including a composting facility, reduce waste to landfill, improve the resource recovery centre.
Graham Howard	Submitter is against compulsory collection as it affects residents who generate low waste. Rubbish should be a Pay User model. Council should encourage compost at home. Council should consider that the bins costs, to implement rubbish collection using wheelie bins, would be significant. What happens if the prices after the tender process are higher than estimated in the statement of proposal?
Paul Reynolds	Council Policy establishes that the rubbish services in Buller are Pay Users Model. The prices provided in the consultation are not based in tender prices.

	What other option for disposal does the Council have? Why has the rubbish bag cost increased (20%) ahead of the national inflation?
Tony Harrington	He prefers option 4. It should lead to a less contamination in recycling and less fly tipping. Hopefully reducing the overall costs in these areas to the Council. He would like to see the recycle bin audits done regularly. Some residents will not be burning anything combustible and leaving piles of refuse to rot in their back yards because they refuse to pay the price of Pay as You Throw.
Jane & Mike Furze	They prefer Pay Users model as they only put out the recycling bins out 4 times a year. Council should take control of the collection. What other options does the Council have for landfill? How much Smart Environmental makes with the recycling? How long to do something for a landfill?

DISCUSSION

3.4 Zone 1 Rubbish Consultation Frequently Asked Questions

The most common frequently asked questions identified during the entire consultation procedure (submission, drop-in meetings, and hearings) are discussed below.

3.4.1 What Other Options Does The Council Have For Landfill?

An In-District Landfill cost model was carried out in 2009 by MWH, the report resulted in that approximately 9,000 tonnes per annum of waste were required to get a crossover financial point to make viable the construction and operation of an In–District Landfill facility in Buller.

Morrison Low has now modelled an estimated In-District Landfill cost model. The 2024 model has considered the current freight cost to take the rubbish out of district, the existing waste levy charges ($60 per tonne) and the ETS ($22 per tonne), plus an assumption of general capital costs inflation. The model has shown that, in 2024, the crossover points for an in-district landfill has become 10,000 Tonnes per annum.

Attachment 2 provides an in-district landfill model cost estimation.

In effect, a stand-alone landfill for just Buller District remains unachievable. The staff view remains that Council is best served by continuing to look at cross-boundary regional solutions for a common approach to solid waste management across the West Coast. This may extend to a common service standard and a

common end-point landfill destination. Over the long term, it is only the quantities that are generated across the whole West Coast (~13,000 tonnes per annum) that make a modern Class-A Landfill viable.

Option 4 as a service level, would allow for the most seamless cross Regional collaborative waste stream management, as this is the service level option in our neighbouring districts.

3.4.2 What Will Happen Once Consultation Closes?

Once a decision on the service level option for rubbish collection to be implemented across Zone 1 is made by Council, an open tender process will be undertaken to procure the contractor providing the rubbish collection in Zone 1 and the waste management services in the District from 1 July 2025.

3.4.3 Why Did Council Not Use Tendered/Actual Cost For The Consultation?

Council used estimated costs based on today's prices (2023/24) for the consultation since the actual costs can only be confirmed as an outcome of the open tender process. The open tender process will seek proposal costs from companies New Zealand-wide to provide the rubbish collection in Zone one from 1 July 2025. This will be tendered once Council selects the service level option.

The prices used for the consultation have been estimated as accurately as possible, considering the amount of waste generated in Zone one, freight costs, handling costs, disposal costs, and other charges involved in rubbish collection and waste management in Zone one.

3.4.4 Why Is Council Changing The Rubbish Collection Model In Zone 1?

Several issues have been identified with the current rubbish collection model in Buller as listed below:

- The waste collection sector is moving away from bags to wheelie bins for health and safety reasons. Wheelie bins reduce the risk of infection from waste and manual handling injuries.
- The Ministry for the Environment has announced the standardisation of household collection services focussed on recyclable materials and food waste.
- There is ongoing illegal dumping across the district and providing a consistent and equal service access for all households is expected to reduce illegal dumping.
- By providing a universal household collection service to the specified areas of the Buller District, Council is able to manage costs for each household.

4. CONSIDERATIONS

4.1 Strategic Impact

Council must ensure the new proposal is in keeping with its strategic direction for the district, the Long-Term Plan 2024-2034, the Waste Management Act, and the Waste Minimisation Management Plan.

4.2 Significance Assessment

Community consultation is required under Section 83 (Special Consultative Procedure) of the Local Government Act 2002 due to the level of the change in the service.

4.3 Risk Management Implications

Council needs an effective mechanism to mitigate the impacts of the continued waste cost increasing for its residents.

4.4 Values

The selection of a service level options for Zone 1 Rubbish Collection aligns with Council values of providing fit for purpose and safe community services to maintain public health.

4.5 Policy / Legal Considerations

Selecting a waste management via rates approach and charges would need to see the new Waste Minimisation and Management Plan 2024-2030 (currently under consideration) be reviewed to reflect this change.

Waste management services contract must be in accordance with the Waste Minimisation Act 2008 and the final waste management model of services must be approved and adopted by Council before it can be implemented.

The Special Consultative Procedure has to be in accordance with Section 83 of Local Government Act 2002.

4.6 Tangata Whenua Considerations

Tangata Whenua value the health of the land and its people. Council planning for a robust solid waste management service in Zone 1 is a key element in ensuring community and environmental health any issues that impact.

4.7 Views of Those Affected

Under of the Local Government Act 2002 there is a statutory requirement that community consultation be undertaken in accordance with Section 83 (Special Consultative Procedure) of the Act. All requirements to date have

been met. Consultation has been conducted and is a per described in this report.

4.8 Costs

Long Term Plan (LTP) 2025-2035 to be updated to reflect the new operational costs under the new model of services.

Costs impacts of the Councils preferred service level option will continue to be considered at all stages of the procurement.

Once the outcomes of the public consultation on Councils decided preferred service levels is known; the cost impacts can then be priced via the tender process.

4.9 Benefits

A committed service level of Zone 1 Rubbish collection.

4.10 Media / Publicity

Continued media interest in the Zone 1 Rubbish Collection Special Consultative Procedure is expected to remain strong. Media and publicity management will be via established media and publicity management policies and processes.

Rubbish collection consultation Zone 1

Submissions outcome

May 2024

A. Introduction

This report compiles feedback from the Zone 1 rubbish collection special consultative procedure carried out between 12 April and 20 May 2024 in the Buller District. The consultation aimed to seek feedback about the rubbish collection services in Zone 1 that will be implemented from July 2025 onwards.

The report describes the current rubbish collection services offered in Zone 1 and highlights the points that prompted Council to consider changing the way rubbish collection is managed.

The report summarises the statement of proposal, which included the four options on which the community was invited to provide feedback. It presents the submission results, including an analysis of the qualitative data (comments) outlining the submitter's reason for choosing one option.

It's important to note that this public consultation represents the feedback and views of the participants that choose to engage and may not capture all the broader community's perspectives. However, the insights collected will help councillors to make an informed decision about the Zone 1 rubbish collection services from July 2025 onwards.

B. Context

B1. Current rubbish collection in Zone 1

The rubbish and recycling collection Zone 1 covers the areas from Westport to the North until Mōkihinui Bridge, including Seddonville, Granity and Waimangaroa, Cape Foulwind, Charleston, Fox River and Punakaiki to the South and Buller Gorge Road, Inangahua, Reefton, Blackball, Ikamatua to the east.

In this area a kerbside rubbish collection service is currently offered via a private commercial operation managed and operated by Smart Environmental Ltd. The service is a Pay As You Throw (PAYT) model using either 60 litre official rubbish bags or a private wheelie bin service on a periodic basis. The official rubbish bags are currently sold for $9.10 incl. GST. (2023/24 FY costs). Bin costs vary depending on the bin size and collection frequency. The prices are set by Smart Environmental Ltd. This service is self-funding and not subsidised by Council.

A kerbside recycling collection service is currently provided using a 240L recycling bin and a 45L glass crate, funded by Council via waste management rates (currently at $178 incl. GST per annum). The service is delivered by Smart Environmental Ltd on behalf of Council. The kerbside recycling collection system in Zone 1 is not proposed to change.

B2. Drivers to change

Several issues been identified in the last years in the waste management sector, which suggest it is timely to make a change to the household collections:

- The waste collection sector is moving from bags to wheelie bins for health and safety reasons. Wheelie bins reduce the risk of infection from waste and manual handling injuries.
- The Ministry for the Environment has announced the standardisation of household collection services focussed on recyclable materials and food waste.
- Illegal dumping continues across the district, and providing a consistent service for all households is anticipated to aid in mitigation and go some way to reduce it.
- By controlling services, Council can invest on behalf of the community to capture more materials for recycling and recovery.
- By providing a universal household collection service to the specified areas of the Buller District, Council can manage the costs for each household.

B3. Consultation 2023

Council agreed at its July 2023 meeting to consult with the community on a proposed change in the delivery of the rubbish collection in Zone 1. The consultation took place from 7 August to 8 September 2023 and proposed four key changes:

1. A shift from using 60 litre rubbish bags to having a 120 litre wheelie bin provided by Council.
2. Mandatory rubbish and recycling collection.
3. Changing from weekly to fortnightly rubbish collection.
4. Paying for rubbish and recycling collection through rates (rather than buying rubbish bags).

The consultation resulted in a range of submissions and public views and feedback on the proposal. Some commentary supporting a shift to collecting rubbish in wheelie bins was identified. However, concerns about a move from the current ‘pay as you throw’ approach to funding rubbish collection via a standard uniform charge were recurrent.

Other concerns were related to the cost on households that make minimum use of the kerbside rubbish collection service and the removing of the current financial incentive to minimise rubbish. Overall, 73% of the submitters were opposed to the proposal.

At the December 2023 Council meeting, Council resolved to select four options to reconsult with the community for the Zone 1 rubbish collection.

C. Consultation 2024

C1. Summary of the Statement of Proposal 2024

The Statement of Proposal included four options on how Council could change how household rubbish collection services are delivered and funded in Zone 1 from 1 July 2025. It is important to outline that:

- All costs presented in the Statement of Proposal are in 2023/24 financial year figures to allow an accurate comparison of options in today's pricing. These will be subject to change when implemented in July 2025.
- The four options do not include the recycling rate, which will be in addition to these costs. (The recycling rate is $178, —incl GST as of the 2023/24 financial year.)
- The option Council decides on will be rolled out for all households in Zone 1 with rubbish collection from July 2025.

The four options included in the Statement of Proposal are briefly outlined below. Two are delivered via a private commercial operator (Option 1 and 2) and two are provided by Council, via a contractor (Option 3 and 4).

Option 1 Status Quo - Private sector provides a weekly pre-paid bag and wheelie bin collection via Pay As You Throw. Contractor sets pricing and charges for the service.

Cost to the ratepayer: $9.10 per 60L bag. (actual cost)

Option 2 Private sector provides a 120L fortnightly wheelie bin collection via Pay As You Throw. Contractor sets pricing and charges for the service

Cost to the ratepayer: $24.50 per pick (estimated cost)

Option 3 Council, through a private contractor provides a fortnightly wheelie bin collection with a single 120 litre bin size, Pay As You Throw. Council sets pricing and charges for the service (each household will receive a 120-litre wheelie bin).

Cost to the ratepayer: $17.00 per pick (estimated cost)

Option 4 Council, through a private contractor provides a fortnightly wheelie bin collection with several different bin size options, i.e. 80 litres, 120 litres or 240 litres. Council sets rate for each bin size and charges via targeted rate (each household will receive a 120-litre wheelie bin unless they opt for a different size).

Cost to the ratepayer: $245 per annum per 80L bins (estimated cost)

$295 per annum per 120L bins (estimated cost)

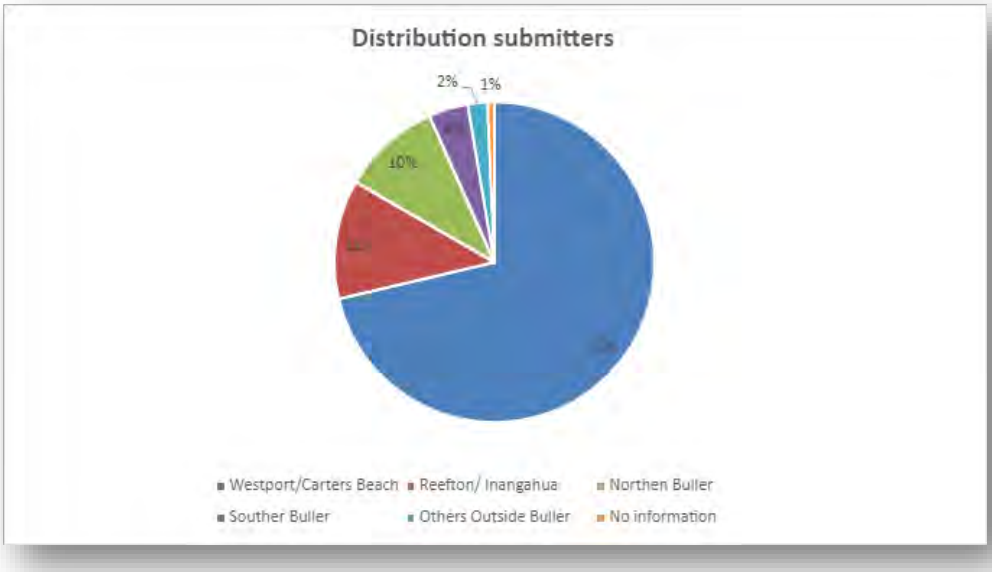
$445 per annum per 240L bins (estimated cost)

C2. Submission analysis and results

Geographic location of submitters and submission return

In total **150 submissions** were received (88 online and 62 written) and a total of **18 submitters** wanted to speak to their submissions.

The following graph shows the geographical distribution of the submitters. 72% were from Westport, 12% from Inangahua/Reefton, 10% from Northern Buller, 4% from southern Buller (including Charleston and Punakaiki), 2% were from outside the district and 1% did not provide their location.



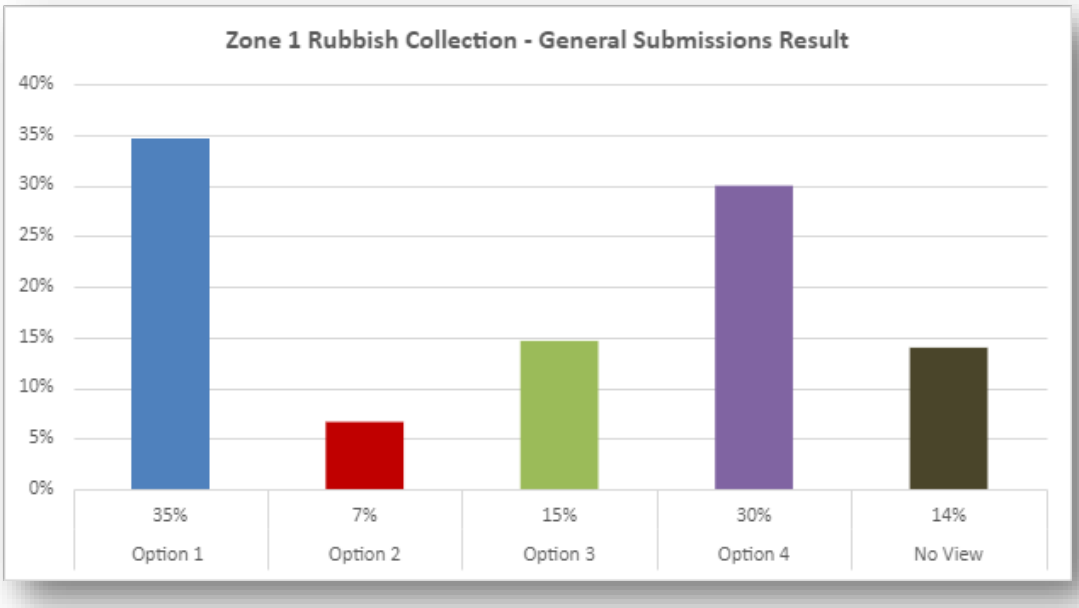
Options for rubbish collection in Zone 1

Submitters indicated which was their preferred option for how rubbish is collected and funded in Zone 1 from July 2024 onwards.

The summary below outlines the results which are displayed in the graph on the next page.

- 35% preferred Option 1
- 30% preferred Option 4
- 15% preferred Option 3
- 7% preferred Option 2

14% of the submissions provided either no clear indication of an option or they marked two or more options. These submissions are counted as offering 'no view' and are recorded as such.



Overall, the submitters indicated a preference for the Pay As You Throw model reflected in the 57% of the submitters who opted for the options 1, 2 and 3 that offer a Pay As You Throw model.

The use of wheelie bins for rubbish collection (either universal rates charge or via one of the two Pay as You Thow models) was the option selected by the 52% of the submitters (Option 2,3,4).

Qualitative analyses of comments

115 submitters commented on the proposal as part of the submission process, and 35 did not leave a comment. These comments were analysed, and the insights are summarised in the following section.

The table below summarises the main reasons why submitters preferred one of the options.

Option	Main reasons to choose the option
Option 1	Submitters who preferred **Option 1** said they prefer a Pay As You Throw model as this is a fair approach and the rubbish charge would reflect the quantities generated. Several of them said that they use a few bags per year and rubbish paid by rates would penalise lower rubbish generators.

	Others also expressed that the Council should keep the status quo since the current system is very flexible and suits them well. Some also said that Council should not charge residents who don't use the rubbish collection system and prefer other disposal methods, such as dropping off rubbish at the transfer station. Concerns that rates are expensive enough without rubbish collection and that residents with lower incomes cannot afford more council charges were also common. Some expressed that this option would support ratepayers committed to a sustainable lifestyle, those who minimise waste, make compost at home, have an organic property, or reuse when possible. They emphasised that mandatory rubbish collection is unfair to them.
Option 2	Submitters who prefer **Option 2** expressed that a user pay model is their preferred approach. They highlighted that they do not use the rubbish collection services because they drop off rubbish at the transfer station.
Option 3	Submitters who selected **Option 3** expressed that this option meets the principle of Pay as You Throw while moving away from bags. Some of them also said that they like this option because it gives the Council more control over charges and prices.
Option 4	Submitters who chose **Option 4** expressed that they preferred this option because they think it better suits the needs of the wider community. It results in the best value for money, it is more cost-effective than the other options, and it reduces overall rubbish costs. Several of them also outlined that they like the universal charges system because they hope it will reduce illegal rubbish dumping and waste burning. Some highlight that this system works very well in other regions and is a common approach in New Zealand. They also gave positive feedback about the change from bags to bins, since bags are impractical and hard to keep sanitary when putting out. Some expressed that different sizes of bins are a fair approach and would suit people who produce less waste. A few expressed a desire to remove bags from the environment.
No View	Several submitters did not choose any option or chose two or more options, which resulted in an invalid options submissions. These people however took the opportunity to comment, which has been captured in this report. In general, the commentary included, that the consultation did not provide prices through an open tender. Also, they highlighted what they felt was a lack of information to make an informed decision.

Further comments analysis

A more detailed analysis of the submitter's comments focused on common themes and their frequency. The results are listed below.

- 14 submitters emphasised they prefer a Pay As You Throw model, which they think is a fair option. Council would charge according to the quantities generated with this system.
- 10 stated that Council should control prices and charges and keep the profit in Buller, instead of continuing to use private contractors.
- 9 expressed that a rubbish collection using bins and funded by rates is appropriate, suits the community's needs and offers the best value for money.
- 8 respondents expressed that they are low waste generators and make waste minimisation efforts such as composting, reuse and recycle. Some of them believe Council should support ratepayers who make efforts to reduce waste.
- 8 agreed that a local disposal option, such as a closer landfill, is required and that Council needs to define a more cost-effective way for waste disposal.
- 7 submitters said they prefer Status Quo because the current system is very flexible, suits them well, and offers an incentive to reduce waste.
- 7 mentioned that they do not need a rubbish collection system as they use other disposal methods, such as taking rubbish to the dump or having a dump at home. A rate-based method would not benefit them.
- 6 cited that a rubbish collection targeted fund model would help to reduce illegally dumped waste, burning waste or storing waste in the back yard.
- 6 singled out that the proposal lacked information to decide and did not provide confirmed prices.
- 4 mentioned preferring bins rather than bags because bags are impractical, hard to keep clean, and are easily ripped by animals.
- 3 submitters expressed that they do not want another rate increase on top of the general rates.
- 3 said that rubbish collection using bins and funded by rates works well in other regions of the country and is a common approach in New Zealand.
- 3 said that they like the idea of being able to choose the size of the bin.

Discussion paper:
In-district versus out-of-district disposal options
Buller District Council, 5 June 2024

1 Introduction

In 2009, MWH prepared a report for Buller District Council that considered the feasibility of Council developing a landfill at Caroline Terrace and comparing this to out-of-district disposal. At that time, the district estimated to be producing 4,200 tonnes of waste per annum. The report concluded that construction of an in-district landfill would only be viable if the annual waste tonnage were more than 9,200 tonnes per annum. Below this, transport and disposal at an out-of-district landfill was the more cost-effective option for the district's waste. The 2009 MWH report is attached to this report.

Today, in 2024, the district continues to dispose of its waste out of the district, at York Valley Landfill. The district's waste volumes have reduced, with 2,500 tonnes per annum of waste now disposed. However, the cost of transportation and disposal at the out-of-district landfill have risen. The changes in out-of-district disposal costs are presented in Table 1 below.

Council is therefore interested to understand whether this changes the conclusions from the 2009 regarding the tonnage at which development of an in-district landfill would be more cost effective than the current out-of-district disposal costs.

Table 1: Comparison of out-of-district disposal rates, 2009 and 2024

Year	Transportation cost per tonne	Disposal cost per tonne	Total disposal cost per tonne
2009	$43	$65	$108
2024	$155	$250	$405
Percentage increase	*260%*	*285%*	*275%*

2 Approach to updating the modelling

2.1. Out-of-district option

Transportation and disposal costs for out-of-district were based on the current rates charged to Council for out-of-district disposal, and are therefore much more reliable than the estimates for in-district disposal. These are shown in Table 1 above.

2.2. In-district option

2.2.1 Transportation costs

Transport costs for the in-district landfill were estimated in the 2009 MWH report. These costs were increased by the same percentage as the known out-of-district transport costs, i.e. by 260%, from $15/tonne to $54/tonne.

2.2.2 Disposal costs

The 2009 MWH report was used to determine the disposal rate per tonne for an in-district scenario. Our modelling has inflated this rate by 67% based on a combination of waste and construction price indexes to produce an estimated 2024 value.

In-district disposal costs in the 2009 model did not include ETS and Waste Disposal Levy charges. To account for these in the 2024 model, they have been added to the 2009 disposal rates using a Waste Disposal Levy cost of $60/tonne and an ETS charge of $22/tonne (based on a 40% Unique Emissions Factor (UEF) and a current carbon cost of $55/tonne).

2.2.3 Landfill capital costs

Compliance with new environmental regulations and more stringent resource consent conditions has played a significant role in increasing the cost of landfill disposal. The following are examples of requirements that have changed since 2009:

- Increased resource consent application costs due to broader environmental and technical assessments, increased consultation requirements and costs associated with Environment Court hearings
- Landfill gas destruction system (e.g. flare)
- Inclusion of Geosynthetic Clay Liner (GCL) in the liner system in addition to the compacted clay liner and HDPE liner
- Leachate treatment system in addition to leachate recirculation
- Increased baseline monitoring over three years instead of one, expanded to more parameters, at more locations and at a greater frequency, and expanded to include baseline ecological monitoring
- Increased consent compliance monitoring and reporting over the operating life of the landfill, similar to the expansion of the baseline monitoring
- Operation and monitoring of the gas collection and destruction system
- Additional administrative costs associated with the Waste Disposal Levy and Emissions Trading Scheme compliance and reporting requirements

- Landfill aftercare period (monitoring of landfill post-closure) extended from 30 years to 50 years
- Other monitoring and controls to address site-specific environmental, social and cultural impacts

To account for these potentially uncaptured capital and regulatory requirements for the **in-district** disposal option, alternate scenarios have been generated based on disposal rates in excess of the waste and construction indexes at 100% and 200% inflation. Excluding ETS charges and the Waste Disposal Levy from the **out-of-district** disposal costs since 2009 results in an increase of 159%, aligned with these modelled ranges of 100% and 200% inflation.

It is noted that York Valley Landfill's consent has not been renewed in the 2009 to 2024 period. If it had been, then costs could have increased by more than 159%. The experience from consent renewals for other landfills since 2009 is that there are significant changes to the conditions that add to both capital and operating costs for the landfills. **Therefore, the additional costs of landfill construction today are more likely to result in a disposal cost where costs are inflated by at least 200%.**

2.2.4 Alternative landfill scenario

We have also included a scenario where we have used the actual capital and operating costs for another small landfill in New Zealand, which currently receives around 10,000 tonnes per annum of waste. This is called the "alt landfill" scenario in the modelling. This scenario results in landfill disposal costs between the 100% and 200% inflation scenarios, however it is noted that this landfill was also consented before 2009.

2.3. Limitations

- Applying general inflation assumptions to a rate from the 2009 model is an oversimplification and may not reflect accurate or complete costs in 2024.
- It is unclear if the 2009 baseline disposal cost per tonne for in-district is discounted or reflects a nominal average cost per tonne over a 35-year period. The sensitivity tables per the previous report show that no change to this rate occurs when discount rates are adjusted, indicating it is not a discounted value. Subsequently, the NPV results offer little value, and in effect present the same results as the cost per tonne they are based off.
- The Unique Emissions Factor (UEF, %) used to determine the ETS charge is estimated based on modelling for other New Zealand landfills, however this could materially change depending on the specific characteristics of the waste received at the in-district landfill and how the gas capture system is set up and operated.

3 Modelling results

Figure 1 below plots the disposal cost per tonne for different annual waste disposal volumes based on the 2009 costs for in-district and out-of-district disposal and inflated 2024 costs for the same scenarios. Three options are plotted for the 2024 scenario based on different rates of inflation.

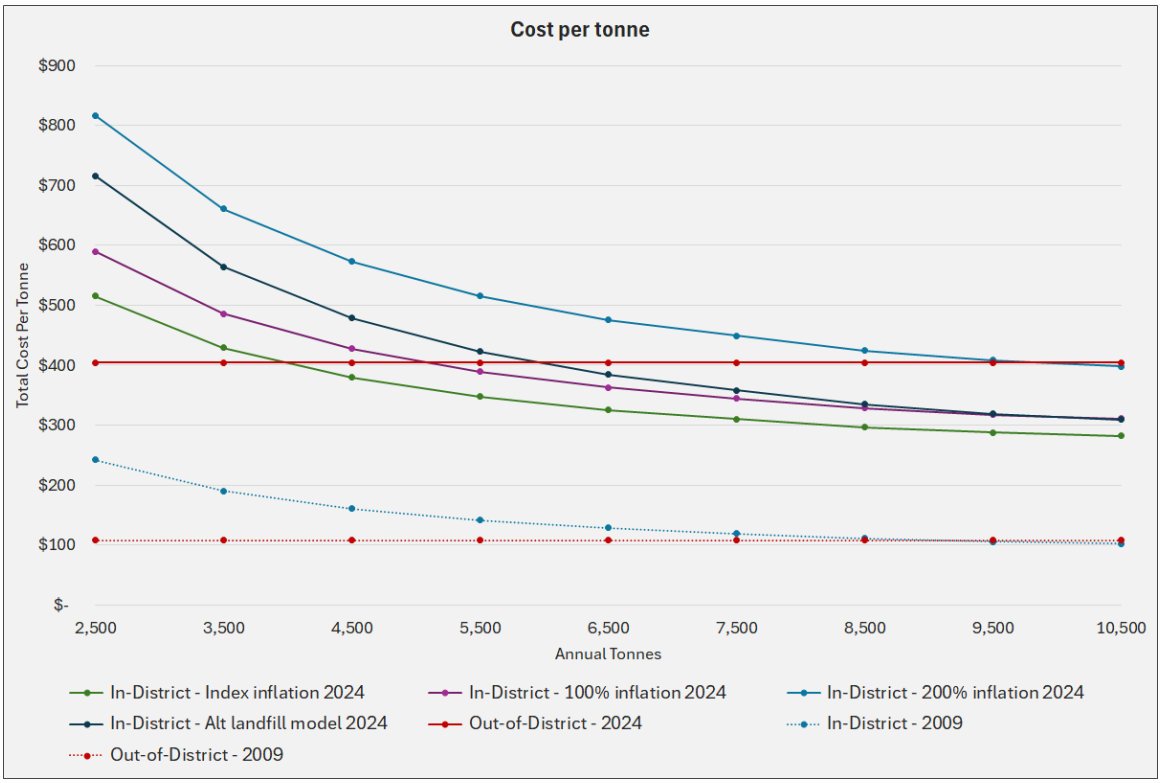


Figure 1: Disposal cost per tonne for different annual waste disposal volumes (tonnes per annum)

For the most likely scenario, that landfill disposal costs have increased by at least 200%, the in-district landfill would require at least 10,000 tonnes per annum to be disposed for it to be more cost-effective than transporting Buller's waste to an out-of-district landfill. This is four times more waste than Buller District currently generates. All three West Coast councils would need to commit their waste to a new in-district landfill in Buller to make this option financially viable.

Even in the unlikely event that costs can be contained to inflation increases plus ETS and Waste Disposal Levy costs, the annual landfill disposal volume would need to be more than 4,000 tonnes per annum, which is 60% more waste than the Buller district currently generates.

The other two scenarios, +100% capital inflation and the alternative landfill, require 5,000 tonnes per annum and 6,000 tonnes per annum to be more financially viable than out-of-district disposal. Both of these are significantly higher than Buller's current disposal volume.

Attachment 1: 2009 MWH Report

REPORT

Comparison of *In-District* versus *Out-of-District* Waste Disposal Options

Prepared for Buller District Council

18 JUNE 2009

QUALITY ASSURANCE STATEMENT

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REVISION SCHEDULE

Rev No	Date	Description	Prepared By	Reviewed By	Approved By
Rplpss01	6/05/09	Draft for Comment	P. Landmark	D. Chung & K. Giffen	
Rplpss03	22/05/09	Final for Client	P. Landmark	D. Chung, K. Giffen & I. Rowden	D. Chung
Rplpss04	18/06/09	Final for Client	P. Landmark	D. Chung, K. Giffen & I. Rowden	D. Chung

BULLER DISTRICT COUNCIL

Comparison of *In-District* versus *Out-of-District* Waste Disposal Options

CONTENTS

1 Introduction

Presently all waste collected at the Westport and Reefton Transfer Stations in Buller District is transported to Nelson City and disposed at the York Valley Landfill. MWH New Zealand Ltd has undertaken three previous studies that assessed the costs of developing and operating a landfill within the district and compared the costs with those associated with disposing of waste out of the district.

The first study[1] was preliminary and was based on a "fictitious" site. The second study[2] was based on a site at Caroline Terrace (McLaughlin's) that was offered to Council by a willing seller who later retracted the offer. The second study indicated that an *In-District* disposal option could be financially more beneficial to Buller District, particularly since Grey District had indicated that the disposal charges at McLean's Pit Landfill would be of the order of $80 to $85 per tonne. The third study[3] was based on a site at Virgin Terrace. It indicated that the *In-District* disposal option would be more economical if annual waste quantities exceeded approximately 5,200 tonnes. The third study identified that a weighbridge should be installed at Westport Transfer Station to get a more accurate estimate of waste being disposed of in the District.

Subsequently, based on the outcomes of the updated *Site Selection and Risk Matrix* as part of the *Site Selection Report*[4] by MWH, Council decided not to procure the site at Virgin Terrace. Instead, Council has decided to pursue and investigate a new site at Caroline Terrace, currently owned by Landcorp, and negotiations are proceeding with respect to its procurement. Preliminary geotechnical investigations[5] have shown that the site is feasible and Council now wishes to review the financial analysis of disposal options using updated information in order to compare the *In-District* and *Out-of-District* disposal options.

MWH has carried out a full cost accounting (FCA) exercise of developing and operating a landfill at the new Caroline Terrace site. This has been done using the Ministry for the Environment's Landfill FCA Model[6]. The output from the modelling exercise has been used as an input into a Net Present Value (NPV) financial model that compares the costs of an *In-District* waste disposal system using Caroline Terrace as a landfill site with the costs of an *Out-of-District* waste disposal system that uses York Valley Landfill.

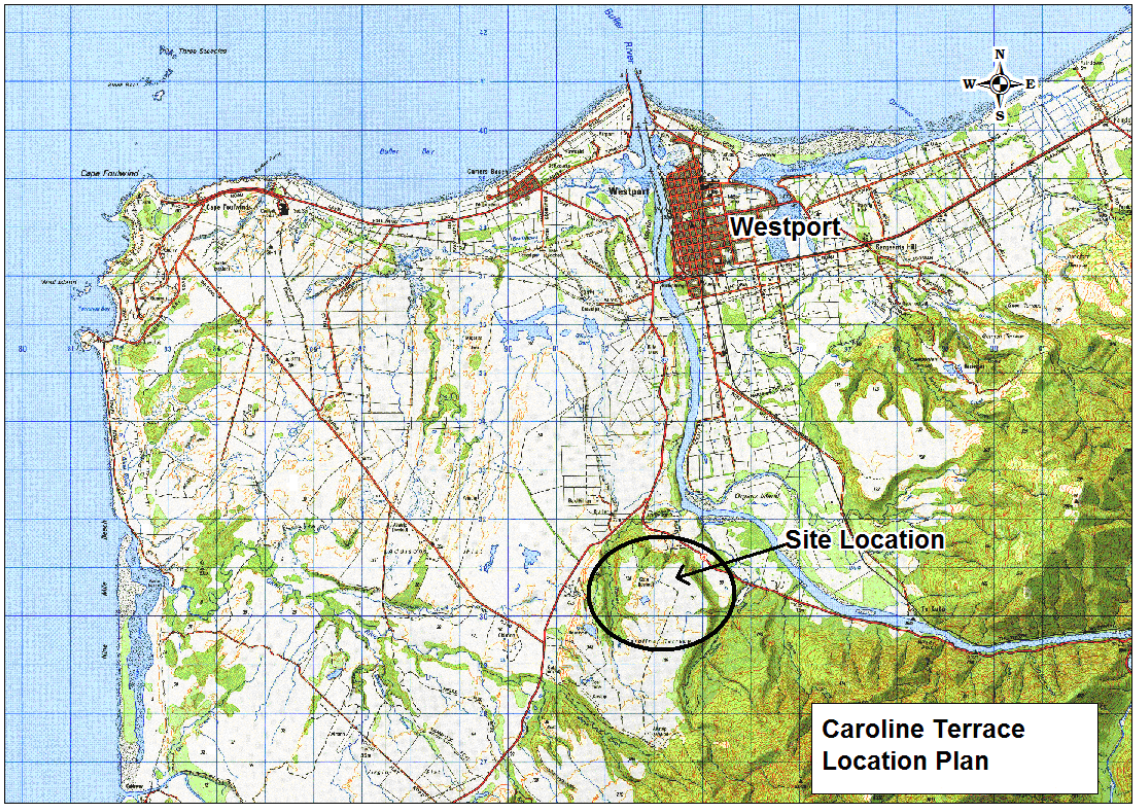
This report provides details of the following:

- FCA Modelling of a landfill to be constructed at Caroline Terrace; and
- NPV financial comparison between *In-District* and *Out-of-District* disposal options.

[1] *Development of a Solid Waste Management Strategy for the Buller District*, Report for Buller District Council by MWH New Zealand Ltd., January 2000
[2] *Discussion Document for Financial Modeling Study of Buller District Waste Disposal;* Report for Buller District Council by MWH New Zealand Ltd., January 2003
[3] *Comparison of In-District versus Out-of-District Waste Disposal Options*; Report for Buller District Council by MWH New Zealand Ltd., November 2005.
[4] *Site Selection*; Report for Buller District Council by MWH New Zealand Ltd., November 2006.
[5] *Proposed Landfill Site Location – Caroline Terrace; Phase 1 Geotechnical Investigation;* Report for Buller District Council by MWH New Zealand Ltd.; June 2008.
[6] *MfE Landfill Full Cost Accounting Model;* Wellington , March 2002.

2 Description of Caroline Terrace Site

The proposed site is located at the northern part of Caroline Terrace which is approximately 7km south of Westport off SH6. The land is presently owned by Landcorp and is rough grazing land used presently for cattle rearing.



Caroline Terrace is the highest of a series of raised (uplifted) terraces south of Westport and it lies between 120m and 160m above sea level. The terraces are composed of glacial outwash gravels and sands, and river aggradation gravels. A typical sequence observed in the uppermost 9m of the terrace in the vicinity of the site consists of: *Organic Topsoil – Silt and Clay – Gravel – Clay, Sand, Silt & Swamp deposit - Gravel*. Indications are that in-situ materials could be used for construction purposes.

The *Site Plan* attached in *Appendix A* shows a possible layout of the landfill on the property together with landfill boundary options.

3 Financial Modelling of *In-District* Landfill Costs

3.1 MfE Full Cost Accounting Model for New Zealand Landfills

An analysis tool (the "*Landfill Full Cost Accounting Model"* developed by the Ministry for the Environment) has been used to assess the full life-cycle costs associated with disposal of solid waste at landfills.

The purpose of the *Model* is:

"…to assist decision-makers to implement a consistent full cost accounting (FCA) approach to landfills, incorporating landfill planning, development, operation, closure and aftercare in a uniform and consistent way"

For landfills, whole-of-life costs relate to the total costs of the facility and include:

- planning and pre-development e.g. site investigations, preliminary design, consultation, resource consents, site acquisition;
- engineering and detailed design;
- development e.g. site access, construction, leachate management system, environmental monitoring, stormwater management system, cover and closure;
- operation e.g. refuse placement, maintenance, leachate treatment and disposal; and
- aftercare e.g. post closure monitoring/rehabilitation, post closure leachate disposal.

The modelling tool provides an indicative base cost (or IBC) for landfills, expressed in $/tonne of waste disposed (i.e. buried). The IBC corresponds to the price (in "real terms" i.e. present-day dollars) that should be charged over the operational life of the landfill in order to recover all whole-of-life costs. It does not incorporate any profit margin in it.

There are other costs associated with the waste disposal process, (such as the development and operation of transfer stations and the transportation of waste from the transfer station to the landfill), that need to be included to determine the full cost of waste disposal. The only other costs covered in this report are those of transporting waste from transfer stations to the final disposal facility. These are covered in Section 4.

The *FCA Model* has been developed as a Microsoft© Excel spreadsheet. Data is input into the *FCA Model* in three worksheets; *"General Input"*, *"Geometric Input"* and *"Cost Input"*. *Appendix B* contains details of all of the input data for the *FCA Model*.

Two of the more significant data are the predicted waste quantities and the preliminary design of the landfill facility. These are discussed in more detail in the following sections.

3.2 Waste Quantities

Waste quantities for the November 2005 report were based on previous work carried out by MWH. The table below shows the waste quantities that were assumed for the 2005 financial analysis.

	2005 Waste Quantities	Predicted 2006 Waste Quantities	Predicted 2009 Waste Quantities	Predicted 2021 Waste Quantities
Westport T/S	6,023	6,023	6,478	6,478
Reefton T/S	1,301	1,440	1,551	1,626
Total	**7,324**	**7,463**	**8,029**	**8,104**

Since October 2008 a weighbridge has been in operation at Westport T/S. The following table shows the total tonnage being sent to York Valley Landfill.

Month	Waste Tonnage (kg)
Oct-08	314,680
Nov-08	310,040
Dec-08	417,720
Jan-09	455,380
Feb-09	284,940
Mar-09	284,100
Total for 6 months	**2,066,860**
Predicted Annual Quantity	**4,134 tonnes**

For the present financial analysis annual waste quantities have been assumed to be 4,200 tonnes. Based on a previous study the split between Westport T/S and Reefton T/S is assumed to be 80% : 20%.

Clearly, waste quantities have reduced considerably over the past three and a half years. In part this may be attributed to the recycling programmes that have been introduced coupled with an increase in disposal prices but it may also be because waste tonnages were previously estimated from volumes and converted to tonnages by applying a particular waste density factor. Since the previous waste tonnages were only estimated from very limited data and time frames prior to October 2008 it is not inconceivable that both the waste volume and density values could have been over-estimated resulting in waste tonnages being higher than they actually were.

In order to check the impact of changing waste quantities on the FCA Model, waste quantities were varied by between –1.18% and +0.92% per year. Reducing the waste quantities by –1.18% each year is the same as reducing total waste quantities by 20% over 35 years. Similarly, increasing waste quantities by +0.92% each year results in increasing the total waste quantities by 20% over 35 years.

The above exercise of either reducing or increasing waste quantities by a particular % each year assumes that the initial present value of 4,200tpa is correct. This figure is based on limited information and so the FCA Model has also been run assuming annual tonnages that vary from 2,200tpa to 9,200tpa.

3.3 Preliminary Landfill Design

The *Site Plan (Appendix A)* and *Typical Cross-Section* (*Appendix C*) show how the landfill could be developed in a series of 1 ha cells. It is envisaged that the landfill will be excavated approximately 6.5m into the terrace with a 3m high berm being constructed around the landfill. The depth of excavation has been determined to provide sufficient material for liner construction including leachate drainage, berm building, cover purposes and final capping.

Twelve cells are envisaged and overall, the landfill will rise to a height approximately 12m above the surrounding terrace. The landfill would yield approximately 1,144,000m^3 of airspace which at an assumed volume utilisation of 1.563m^3/t (compacted waste density of 0.8t/m^3 and a target cover to waste ratio of 1:4) and an annual tonnage of 4,200 tonnes would last for well over 150 years.

It is assumed for costing purposes that the landfill will be lined with 600mm of compacted clay liner (permeability less than $1x10^{-7}$m/s) sourced from on site, overlain by a high density polyethylene (HDPE) geomembrane.

In addition, leachate disposal is assumed to be by means of recirculation and evaporation within the landfill, with surplus leachate being tankered to a wastewater treatment plant when required.

Alternative liner configurations and leachate disposal methods would need to be considered in detail at a later design stage.

Appendix B provides details of the physical quantities and assumed construction rates for the landfill.

3.4 Base Results

Costs related to the development and operation of the landfill were determined and analysis undertaken to determine an Indicative Base Cost (IBC) for the landfill. Details of the assumptions made and information input into the *FCA Model* are given in *Appendix B*.

The IBC is $151.92 per tonne of waste disposed at the landfill. This cost **does not include** GST and is based on the waste quantities shown in Section 3.2 being disposed at the landfill over a life of approximately 35 years. Note that the landfill has sufficient capacity to operate well beyond 35 years but this period has been chosen since it is the maximum period of time for which resource consents will be granted for the landfill. In addition, in carrying out an NPV financial analysis, costs incurred beyond about 30 to 40 years make very little difference to the IBC.

The IBC is in real-dollar terms (year 2009) and needs to be inflated by an appropriate inflationary index, such as the Consumer Price Index, to get an idea of what the IBC will be in future years, all other factors being equal.

The IBC is significantly increased compared to the 2005 financial analysis ($99.05 per tonne). The reduced waste tonnages have a significant impact in increasing the IBC. In addition, besides allowing for inflationary increases in construction and operating costs, there is an increased amount of $300,000 assumed for purchase of land ($440,000 in total compared to $140,000 previously assumed).

3.5 Sensitivity Analysis

The IBC calculated for the whole-of-life of landfill disposal will change if:

- Waste volumes (and hence the development time-line) change.
- Development costs increase or decrease. (Development costs are a function of both the estimated quantities and the estimated construction cost rates. If there are any variances in either of these then the development costs will be different from the figures used in the analysis).
- Operational costs increase or decrease (for example, due to fuel or labour price hikes).
- Financing costs (i.e. Cost of Capital) change.

In order to check what effect changes in the above parameters will have on the base result sensitivity analyses were carried out by varying waste quantities, cost of capital, development costs and operational costs. The parameter range over which sensitivities have been analysed are summarised below:

- **Waste quantities.** Annual upward and downward variation – the tested profile relates to an annual change range from -1.18% to +0.92% based on 4,200tpa in 2009. In addition, the model has been run assuming annual tonnages of between 2,200tpa and 9,200tpa.

- **Development costs.** Upward and downward variation – the tested profile relates to a range from 75% to 200% of the base landfill development cost assumptions.

- **Operational Costs.** Upward and downward variation – the tested profile relates to a range from 75% to 200% of the base landfill operational cost assumptions.

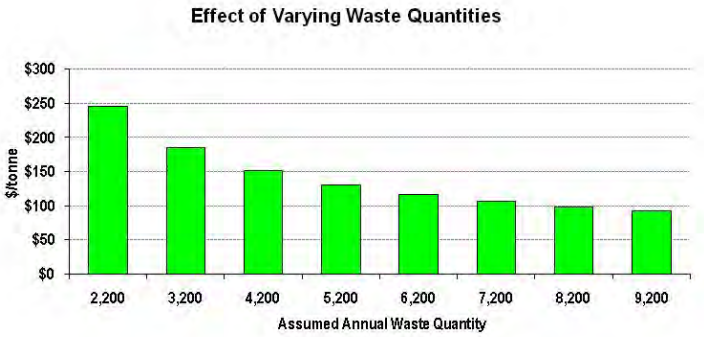
- **Cost of Capital.** This represents the return on funds invested, regardless of whether it is debt or equity. In Local Government it is sometimes referred to as “the opportunity cost of capital”. For the purposes of this study, base cost positions assume an 8.0% cost of capital - this reflects likely external borrowing rates available to local government. A range of cost of capital from 5% to 11% was tested.

Note that in carrying out the sensitivity analyses, single parameters (e.g. waste quantity) are changed for each re-run of the *FCA Model* to generate a new IBC. There has been no attempt to change two or more parameters at the same time, for instance, to increase waste quantities by 1.5% per year **and** increase the Cost of Capital to 9.5%.

3.6 Effect of Varying Waste Quantities

The sensitivity analysis shows that:

- Reducing waste quantities by –1.18% each year reduces the total waste over 35 years by 20% which increases the IBC by about 9%.
- Increasing waste quantities by 0.92% each year increases the total waste over 35 years by 20% which decreases the IBC by about 7%.

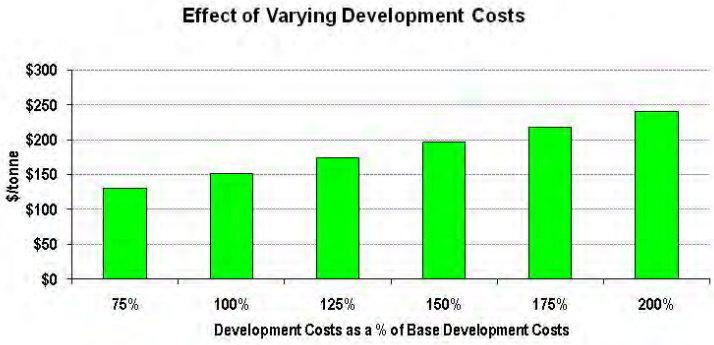


The sensitivity analysis shows that:

- Reducing waste quantities by about 48% increases the IBC by 61%.
- Increasing waste quantities by 119% reduces the IBC by about 39%

From the above it is apparent that an accurate estimate of the current waste quantities is important since that can have a large impact on the IBC. As more weighbridge information is obtained so the estimate of annual waste quantities will become more accurate.

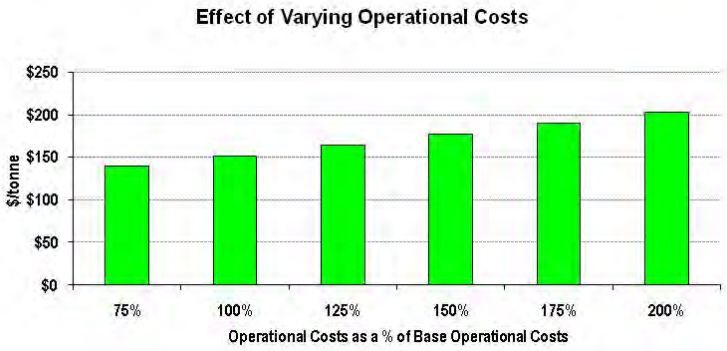
3.7 Effect of Changing Development Costs



The sensitivity analysis shows that:

- Reducing development costs to 75% of base costs reduces the IBC by about 15%.
- Doubling development costs to 200% of the base costs increases the IBC by about 58%.

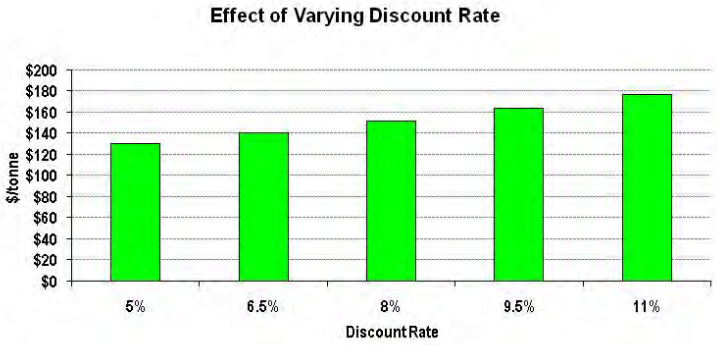
3.8 Effect of Changing Operational Costs



The sensitivity analysis shows that:

- Reducing operating costs to 75% of base costs reduces the IBC by about 8%.
- Doubling operating costs to 200% of the base costs increases the IBC by about 34%.
- Operating costs are less sensitive to changes than development costs.

3.9 Effect of Changing Cost of Capital



The sensitivity analysis shows that:

- Reducing the cost of capital to 5% reduces the IBC by nearly 14%.
- Increasing the cost of capital to 11% increases the IBC by about 16%.

3.10 Summary

The IBC of $151.92 for the Base Scenario is:

- Relatively insensitive to annual changes in the base waste quantities in the range from -1.18% to +0.92%, but more sensitive to “bulk” changes in the base waste quantities.
- Responsive to changes in development costs.
- Relatively unresponsive to changes in operating costs and changes to the cost of capital.

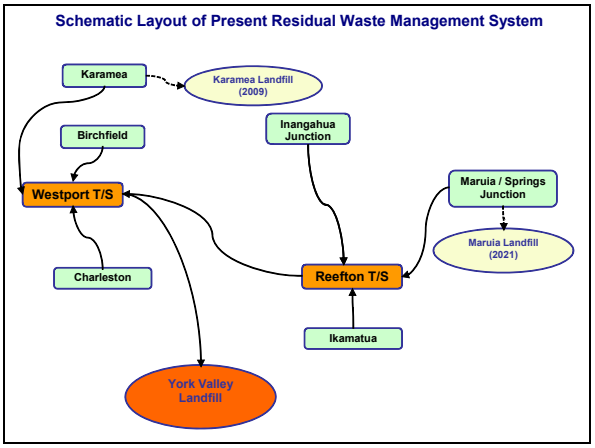
The above sensitivities will all be tested in the NPV model for comparing the *In-District* versus *Out-of-District* disposal options.

4 NPV Financial Comparison between *In-District* and *Out-of-District* Disposal Options

4.1 Background

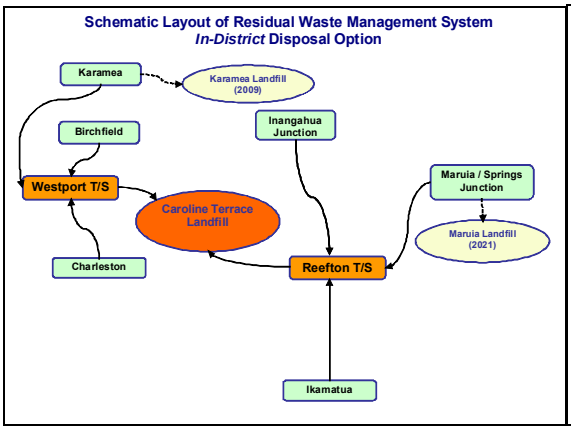
The *In-District* and *Out-of-District* disposal options have been modelled using discounted Net Present Value (NPV) financial analyses. Only cost differences have been modelled for each disposal option and the NPV of each scenario modelled is that single cost (in today's dollar terms) of all future costs associated with each particular scenario. It is important to note that the financial models do not include **all** of the costs associated with each disposal option. For example, the costs of transfer station operations are not included, neither is the cost of the waste minimisation levy which is to be introduced from July 2009.

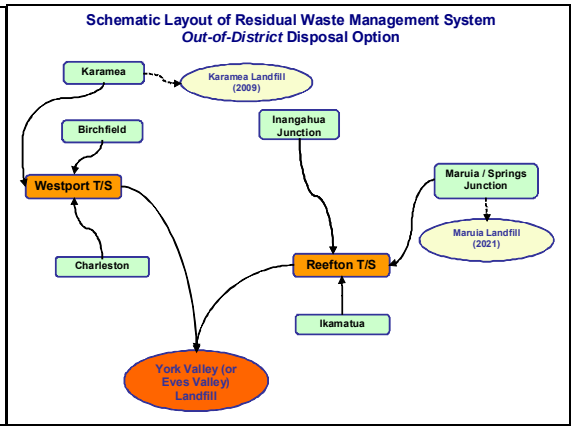
The following diagram is a schematic representation of the existing residual waste management disposal system in Buller District.



- Close Ikamatua T/S and transport refuse to Reefton T/S.
- Continue using existing Karamea and Maruia Landfills as long as consents are operative.

Building on the above system the two schematic diagrams below highlight the main infrastructural difference between the *In-District* and *Out-of-District* disposal options.





4.2 Broad Assumptions

In the analysis, the following broad assumptions have been made:

- the regulatory environment will remain constant;
- fuel, development and operational costs are assumed to remain constant;
- the existing level of service will be maintained – i.e. there will be no change in the standard of facilities and services unless the type of service is changed;
- waste will not be diverted away from the landfill or recycling facilities by private sector competition;
- the existing waste stream composition will remain the same;
- capital costs for development of future landfill infrastructure and facilities are wholly dependent on the phasing of the landfills, which is, in turn, dependent on the airspace consumed;
- the discount rate for calculating Net Present Values of costs is assumed to be 8%; and
- the modelling period is assumed to be thirty five years, starting from 2009.

4.3 Description of the *In-District* Spreadsheet Model

4.3.1 Overview

The *In-District* disposal option has two main components:

- costs of selecting, consenting, developing, operating and closing a landfill at Caroline Terrace; and
- costs of transporting refuse to the new *In-District* landfill.

The IBC determined for the Caroline Terrace site (see Section 3) covers all of the landfill-related costs. The costs of transporting waste from transfer stations to the *In-District* landfill are set out below.

4.3.2 Transport Costs

Costs for transporting refuse from transfer stations to the *In-District* landfill were based on current waste disposal contract rates.

The table below shows the assumed approximate *In-District* transport rates from the transfer stations.

Transfer Station	Landfill	Cost/t
Westport	Caroline Terrace	$9
Reefton	Caroline Terrace	$38

Besides the reduced distance (10km from Westport to Caroline Terrace versus 70km from Reefton to Caroline Terrace) the assumed lower rate for Westport is on account of a number of factors.

- Westport Transfer Station handles about 4 times as much waste as the Reefton transfer Station so the transporter carrying the refuse will have a greater utilisation.
- Waste at Westport will be semi-compacted into the transporter using available plant, so the loads carried will be greater.

4.4 Description of *Out-of-District* Spreadsheet Model

4.4.1 Assumptions

The financial spreadsheet model for the *Out-of-District* disposal option has the following cost components:

- Transportation of residual waste to an out-of-district landfill (assumed to be York Valley Landfill).
- Disposal of residual waste at York Valley Landfill.

4.4.2 Transport Costs

The table below shows the assumed *Out-of-District* transport rates and the distances to McLean's Pit Landfill from the transfer stations.

Transfer Station	Landfill	Cost/t
Westport	York Valley	$43
Reefton	York Valley	$43

Costs have been obtained from the existing contract with Johnson Brothers Transport (JBT). This contract has two more years to run and it should be noted that the tendered transport rate is approximately half that of the next most expensive rate. This is, we understand, because JBT are currently able to backload from Tasman District. In the future this option may not be available and transport prices may be increased considerably.

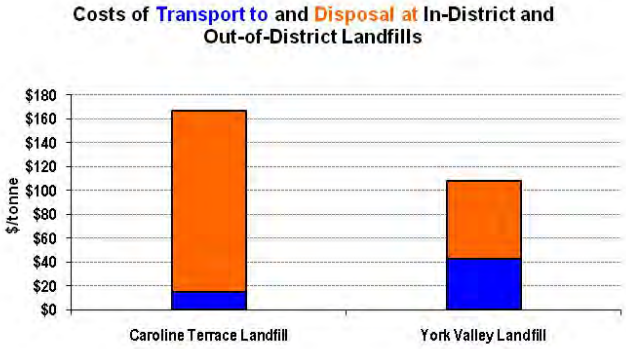
4.4.3 Disposal Costs at York Valley

The existing disposal costs at York Valley Landfill are $65 per tonne. A waste minimisation levy of $10 per tonne will be added to it from July 2009. However, it is assumed that the levy will simply be recovered from customers disposing at the transfer stations and will be applied to both *In-District* and *Out-of-District* options. Therefore, since the cost is common to both options it has been omitted from the study.

This disposal cost is constant irrespective of the amount of waste being disposed of at York Valley Landfill. By comparison, the 2005 study would have used a disposal rate of about $112 per tonne at McLean Pit Landfill (for 4,200tpa).

4.5 Financial Spreadsheet Model Results

The base results of the financial modelling for the *In-District* and *Out-of-District* disposal options are shown below.



- Total Caroline Terrace costs ($167/t) are almost 55% more than total York Valley costs ($108/t).
- Caroline Terrace transport costs ($15/t) are almost three times less than York Valley transport costs ($43/t).
- Caroline Terrace disposal costs ($152/t) are more than double the York Valley disposal costs ($65/t).

The base result shows that the *Out-of-District* disposal option is the preferred disposal option which is a reversal of the result achieved in the 2005 modelling exercise. However, if the assumed costs and other inputs such as waste quantities in the financial model are different from those assumed for the base case, it is possible that the *In-District* disposal option may be preferred. In order to check how changes to the inputs may affect the modelled results a sensitivity analysis was carried out varying a number of inputs. This is discussed in Section 5 below.

5 Sensitivity Analyses

5.1 General

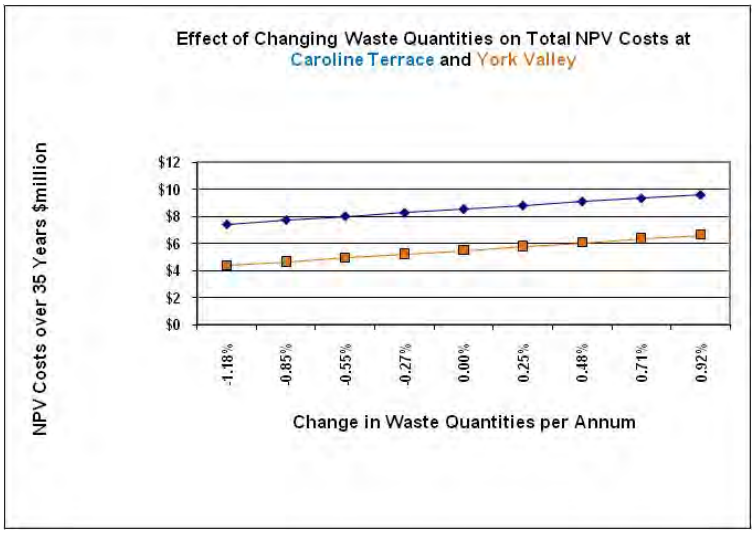
The sensitivity analyses carried out for the NPV Financial Comparison between *In-District* and *Out-of-District* disposal options is very similar to that done for the financial modelling of the *In-District* landfill costs.

Sensitivity analyses were carried out by varying waste quantities, Caroline Terrace Landfill development and operational costs, York Valley Landfill disposal charges, transport costs and cost of capital. The parameter range over which sensitivities have been analysed are summarised below:

- **Waste quantities.** Annual change range from -1.18% to +0.92% based on 4,200tpa in 2009 and total annual quantity of between 2,200tpa and 9,200tpa.
- **Transport costs.** Variation from 75% to 200% of the base transport cost assumptions. In addition, transport costs to York Valley Landfill alone were varied from 100% to 267% of the base transport costs.
- **Caroline Terrace Landfill Development costs.** Variation from 75% to 200% of the base landfill development cost assumptions.
- **Caroline Terrace Landfill Operational Costs.** Variation from 75% to 200% of the base landfill operational cost assumptions.
- **York Valley Landfill disposal charges.** Variation from 100% to 200% of the base landfill disposal costs.
- **Cost of Capital.** A range of cost of capital from 5% to 11% was tested.

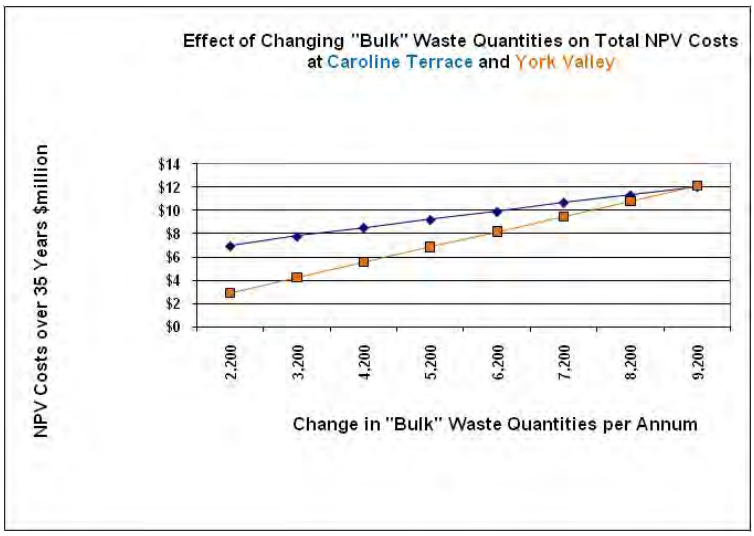
Detailed results of the sensitivity analyses are given in *Appendix D.*

5.2 Effect of Varying Waste Quantities



The sensitivity analysis shows that:

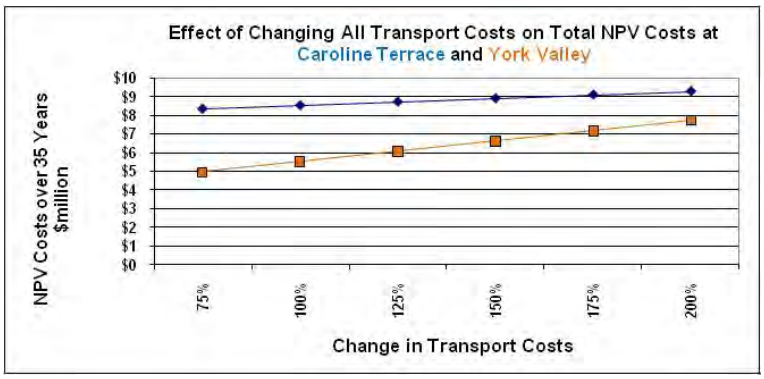
- Reducing waste quantities each year increases the cost difference between the two options very slightly but the Caroline Terrace option is still more expensive.
- Increasing waste quantities each year only slightly reduces the cost difference between the two options.
- Over the modelled range of waste quantities the Caroline Terrace option is always more expensive.



The sensitivity analysis shows that:

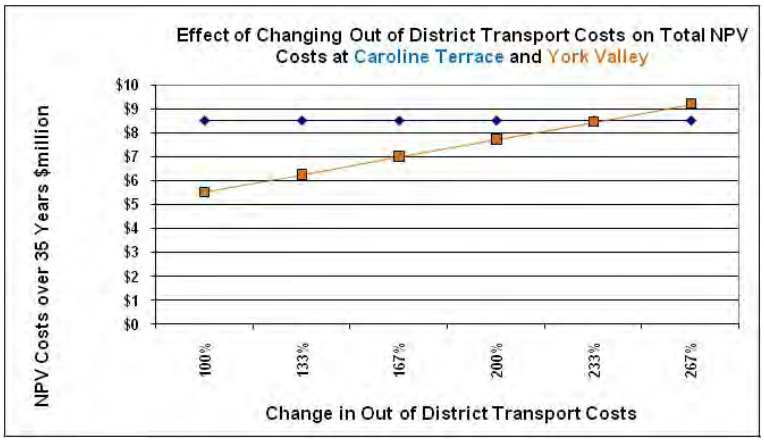
- If waste quantities are below about 9,200tpa then the *Out-of-District* disposal option is preferred.
- Above about 9,200tpa disposal at Caroline Terrace site is preferred.

5.3 Effect of Changing Transport Costs



The sensitivity analysis shows that:

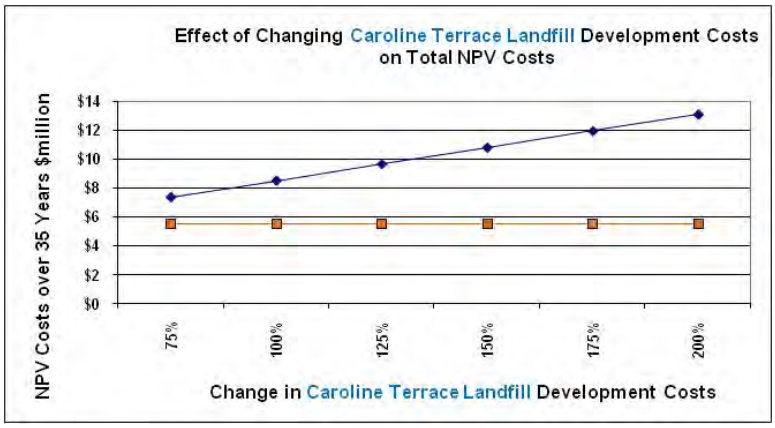
- Reducing transport costs increases the gap between the two options but the Caroline Terrace option is still more expensive.
- Increasing transport costs decreases the cost difference between the two options.
- Over the modelled range of transport costs the Caroline Terrace option is always more expensive.



The sensitivity analysis shows that:

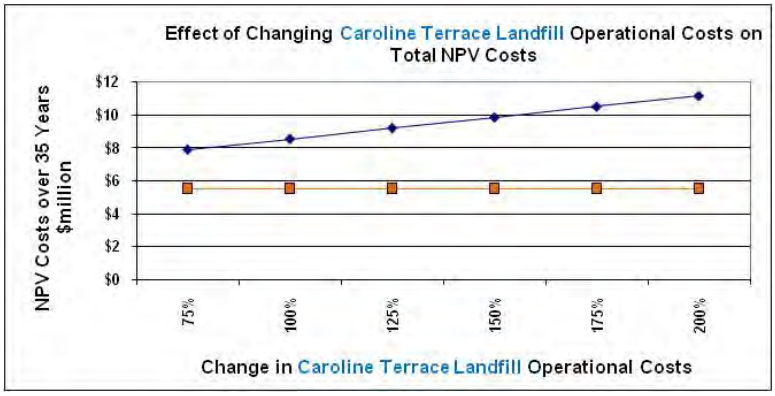
- Increasing out-of-district transport costs by about 240% causes the *Out-of-District* Option to become more expensive, all other factors being equal.
- This means that if the out-of-district transport cost is increased to $103 per tonne then Caroline Terrace option is preferred.

5.4 Effect of Changing Caroline Terrace Landfill Development Costs



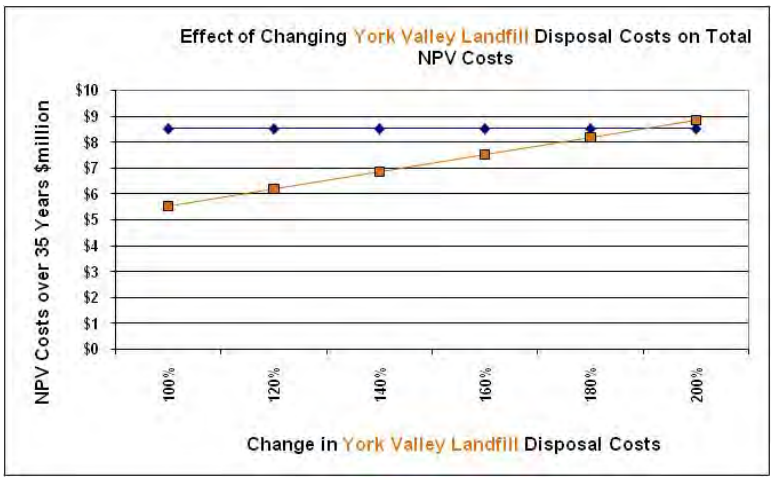
The sensitivity analysis shows that increasing development costs simply causes the Caroline Terrace option to become increasingly more expensive than the *Out-of-District* option.

5.5 Effect of Changing Caroline Terrace Operational Costs



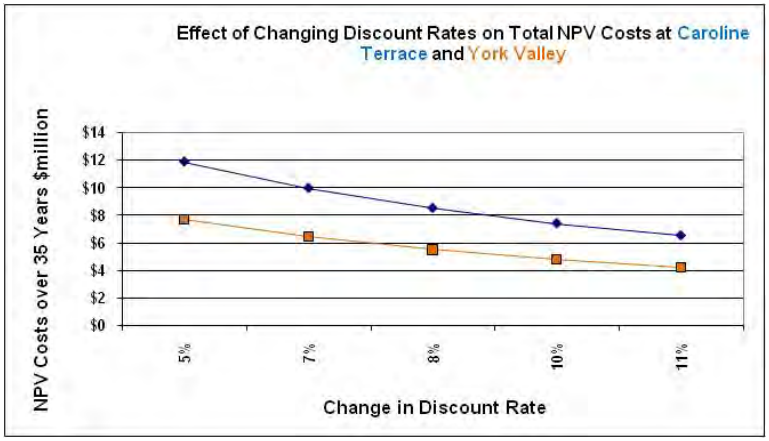
The sensitivity analysis shows that increasing operating costs to about also causes the *In-District* option to be increasingly more costly than the *Out-of-District* option.

5.6 Effect of Changing York Valley Landfill Disposal Costs



York Valley disposal price would have to increase to about 190% of present values ($125 per tonne) before the *Out-of--District* option becomes more costly than the *In-District* option. (Bear in mind that no waste minimization levy has been added to either option).

5.7 Effect of Changing Cost of Capital



The sensitivity analysis shows that:

- Increasing the cost of capital gradually decreases the gap between the two options.
- Over the modelled range the *Out-of-District* option is always more favourable.

6 Discussion

A preliminary landfill design has been carried out which assumes that the landfill will be developed in a series of 12 cells having a total airspace capacity of some 1,144,000m^3 which is expected to last for over 150 years at a disposal rate of about 4,200tpa.

Financial analysis using the MfE FCA Model shows that the *IBC* is $152 per tonne. This *IBC* value is considerably more than the *IBC* calculated for the 2005 financial analysis. There are a number of reasons for this.

Firstly, waste quantities from Buller District have decreased significantly over the past four years. Information on district waste quantities is based on six months measurements over the weighbridge recently installed at the Westport Transfer Station. Annual waste quantities are estimated to be approximately 4,200 tonnes which is considerably less than the annual waste quantity that was assumed for the 2005 financial analysis (7,460 tonnes). Note that the corresponding *IBC* for 7,460tpa is $105 per tonne.

Secondly, development and operating costs were increased in the financial analysis to allow for escalation from 2005 to 2009. In addition, an extra $300,000 has been allowed for the procurement of the site.

In-District and *Out-of-District* waste disposal options were modelled over a 35 year period using an NPV financial spreadsheet. Base results indicated that the *In-District* option has a significantly higher cost overall of $167/tonne with the disposal cost being $152/t and transport the balance. The *Out-of-District* option has an overall cost of about $108/tonne, with the disposal cost making up about $65/t of the cost and the transport portion costing about $43/t.

The results of the financial analysis are in direct contrast to those that were determined in the 2005 study. Clearly the *IBC* value ($152 per tonne), which is the *In-District* landfill charge, has increased significantly as outlined above. In addition, disposal charges at York Valley Landfill are lower than those which were assumed for the 2005 analysis where the *Out-of District* disposal option was to Mclean Pit Landfill. The existing York Valley Landfill disposal charges are $65 per tonne. This is compared to a value of $93 per tonne that was used in the 2005 analysis (for 7,460tpa). For waste quantities of 4,200tpa the corresponding McLean Pit rate would have been about $112 per tonne.

There is no indication of how the disposal charges at York Valley Landfill will change in the future. The cost of the waste minimisation levy has been left out of the analysis since it is common to both *In-District* and *Out-of-District* disposal options and the levy will be directly recovered from customers.

The costs of $167/tonne and $108/tonne do not cover all waste management costs. For instance, the costs of developing and operating transfer stations at Westport and Reefton are not included.

Sensitivity analyses showed that under most circumstances the *Out-of-District* option is preferable. All other factors being equal, disposal costs at York Valley would have to increase to about $125 per tonne; annual waste tonnages would have to increase to 9,200 tonnes; or transport costs to York Valley would have to increase to about $103 per tonne, before the *In-District* option becomes more economical.

The 2005 analysis showed that if annual waste quantities are less than about 5,200tpa, then *Out-of-District* option becomes the preferred disposal option. The results of the 2009 financial analysis show that the “break even” waste quantity has increased further to 9,200tpa.

7 Conclusions

The financial modelling indicates that under most circumstances the *Out-of-District* disposal option is more economical than the *In-District* disposal option. There are, however, three factors which could cause the reverse to occur, assuming all other factors remain unchanged.

The first factor is if the waste quantities should increase above about 9,200 tonnes per year. This would require the current waste quantities to increase by about 120% which is unlikely to occur in the foreseeable future. Presently, based on 4,200tpa the unit rate of waste generation in the district is about 440kg per person (based on a population of 9,624 obtained from the 2001 census).The unit rate would need to increase to about 960kg per person to increase tonnages to 9,200tpa. In 1997 the West Coast Region had a residential waste generation rate of about 800kg per person[7]. So, not only would the rate have to increase above that generation rate but it would have to do so with the existence of recycling schemes which were not well established in 1997.

A second factor that would cause the *In-District* disposal option to become more favourable is if the disposal charges at York Valley Landfill increase to about $125 per tonne. This represents an increase of about 92% of the existing disposal charge which is currently $65 per tonne. It is noted that there are landfills in New Zealand that have disposal cost of around $125 per tonne. So, is not exceptionally high in the New Zealand context but it is certainly a significant increase compared to the existing disposal charge. It is assumed that the current charges are based on full cost accounting practices and the relatively low rate is a function of the large quantity of waste being disposed of at York Valley Landfill. There is no reason to assume that charges will change significantly unless policy changes demand that the charging basis be amended. If possible, Buller DC should negotiate a long-term disposal contract with an out-of-district landfill service provider that will provide certainty regarding disposal costs in the future. As an example, a few years ago Waste Management Wairarapa contracted with Bonny Glen Landfill for a 15 year disposal contract.

The third factor that would result in the *In-District* disposal option becoming more favourable is if the transport costs of waste to the *Out-of-District* landfill facility increase beyond about $103 per tonne, ie. the current costs of $43 per tonne more than double. The current transport contract has about two years to run. However, it is understood that it is based on the ability of the transporter to back-haul loads from Tasman District. The tendered rate of the second lowest tenderer was $80 per tonne so it is not inconceivable that the transport rate could increase significantly when it is re-tendered, if back-hauling of loads cannot be continued in the future. Nevertheless, transport costs would have to increase significantly for the *In-District* option to be more favourable. A long-term contract could provide more certainty of the disposal costs. It would need to be linked to inflation but if transport costs increased because of inflation, then they would also increase for the *In-District* option. The first graph in section 5.3 shows that increasing all the transport costs (not just the *Out-of-District* costs) causes the two options to gradually merge. However, only when the transport costs are increased to over 300% of the current costs does the *In-District* option become more favourable. If transport costs increased to that extent then it is logical to assume that operating and landfill development costs would also increase which would in all likelihood still favour the *Out-of-District* option.

In addition to the above, there is always the risk that, having constructed an *In-District* landfill a commercial operator in the district may choose to transport his waste directly to another landfill in preference to using the district landfill. If that operator collects and diverts between 500 and 1,000tpa then this will cause the unit charge of disposal to increase, thus creating impetus for even more waste to be diverted to an outside landfill.

Preliminary site investigations have been carried out by MWH to assess whether there are any potential fatal flaws associated with the Caroline Terrace site, particularly with respect to surface hydrology, hydrogeology and environmentally sensitive areas. The reports concluded that based on the investigations there do not appear to be any fatal flaws and that the site is suitable for a landfill when evaluated against these criteria, and others.

[7] *National Waste Data Report*; MfE, May 1997

Preliminary geotechnical site investigations have shown that the Caroline Terrace site is promising but there is still a significant risk in assuming that a landfill can be established at the site by 2011 due to the limited time period for consent processing. Typically a five-year period is allowed for in obtaining consents for landfills. The available two-year period is very limited and is unlikely to allow for appeals etc.

In summary, the financial analysis shows that the *Out-of-District* option is the most economical. It would take a significant increase in one, or a combination of the following to tip the balance towards the *In-District* option: waste quantities, out-of-district landfill disposal fees or out-of-district transport costs. The risk of this occurring over the next few years is considered to be low.

8 Recommendations

Buller District Council presently has two years remaining on its waste transport contract. More certainty can be obtained about transport prices in the medium to long-term by procuring a contract that extends for a period of between 5 and 10 years. The period should be sufficient to enable Council to make alternative arrangements should circumstances change during the course of the contract period.

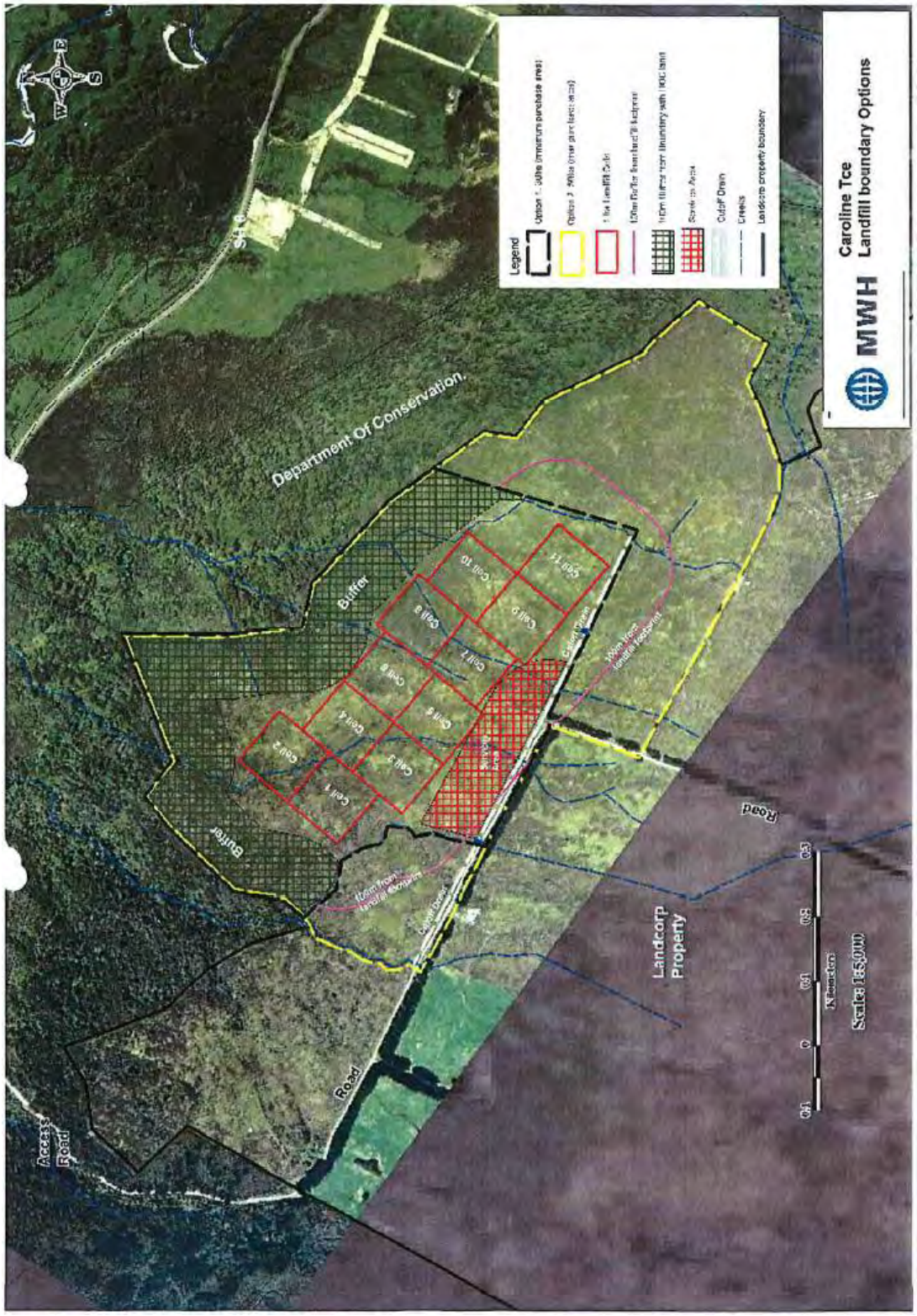
Council should also seek to obtain a long-term disposal agreement with Nelson City in order to secure a disposal rate that would essentially be linked to inflation, rather than to any changes in policy.

The financial analysis shows that presently there is no need to develop an *In-District* landfill. It would be prudent, however, to have the option available should circumstances change in the future. One option is to purchase the site outright now. There may be options such as leasing or having an option to purchase in the future.

If the site is purchased then it is prudent to review whether the next step is for Council to obtain a designation over the land for refuse disposal purposes or proceed directly to obtaining resource consents to construct and operate a landfill. Both options have benefits and disadvantages which should be identified and summarised in a separate report to Council.

Council should continue to monitor waste quantities within the district to check that those assumed in this financial analysis are realistic. In addition, Council should review the financial analysis regularly to check that the *Out-of-District* option is still the most favourable. This is particularly important if waste quantities increase, or transport and disposal costs to the out-of-district landfill increase significantly, or a combination of all three.

APPENDIX A – Site Plan


Caroline Tce
Landfill boundary Options
MWH
Legend
Creeks
Landcorp property boundary
Department Of Conservation
Buffer
Buffer
Landcorp Property
Road
Road
Access Road
Cell 1
Cell 2
Cell 3
Cell 4
Cell 5
Cell 6
Cell 7
Cell 8
Cell 9
Cell 10
Cell 11
Scale 1:6,000

APPENDIX B – MfE FCA Model Input Data

The *FCA Model* has been developed as a Microsoft© Excel spreadsheet. Data is input into the *FCA Model* in three worksheets; *"General Input"*, *"Geometric Input"* and *"Cost Input"*. These are reproduced in this *Appendix.*

MfE Landfill Full Cost Accounting Model

Cost Input

Caroline Terrace Landfill Site
Scenario No. 1

Note: Leave cost fields blank for any items which are not required

SUNK COSTS				
Sunk Costs		40,000	$	
PLANNING AND PREDEVELOPMENT				
Project Management		20,000	$	
Site Selection		50,000	$	
Consultation		50,000	$	
Land Pre-Purchase / Pre-Leasing Agreements		20,000	$	
Survey and Preliminary Design		30,000	$	
Geotechnical & Groundwater Investigations		70,000	$	
Other Detailed Studies (I.e. Noise, Traffic, Visual, etc)		50,000	$	
Baseline Monitoring		50,000	$	
Resource Consent Process				
AEE and Consent Application		75,000	$	
Draft Landfill Management Plan		10,000	$	
Legal		50,000	$	
Hearing		100,000	$	
Appeal		100,000	$	
Land Acquisition & Associated/ Set Up Costs		440,000	$	
Proceeds from Disposal of Excess Land		1	$	
Custom 1			$	In year of Project
Custom 2			$/yr	Spread over Predevelopment Period
BASE COSTS				
Engineering				
Detailed Design and Documentation (%)		5.0%		
Construction Management (%)		5.0%		
Contractors P & G (%)		5.0%		
DEVELOPMENT				
Site Access				
Intersection Upgrade		100,000	$	
Other Roading Network Upgrades/ Contributions		0	$	
Access Road - Intersection to Footprint		120,000	$/km	
Special Structures : Diversions, Bridges, etc)		0	$	
Site Amenities & Services				
Site Entrance		10,000	$	
Administration Building		40,000	$	
Weighbridge & Kiosk		60,000	$	
Machinery Shed, Maintenance Facility		10,000	$	
Power & Phone		20,000	$	
Sewerage		10,000	$	
Water Supply		5,000	$	
General Civil Works (Sealing, Parking) -Administration		20,000	$	
Washdown Facility/Wheelwash		15,000	$	
Fencing		50	$/m	
Landscaping		12,500	$	
Custom 3			$	In Initial Development Year
Cell Construction - Earthworks, Liner, Leachate				
Sediment Control Structures and Measures		5,000	$	
Clearing		1.00	$/m²	
Clearing Bush		3.00	$/m²	
Perimeter Access Road		300.00	$/m	
Topsoil				
Cut to Stockpile		2.00	$/m³	
Unsuitables				
Cut to Stockpile		6.00	$/m³	
Sub-Topsoil				
Cut to Stockpile		6.00	$/m³	
Low Permeability Material				
Cut to Stockpile		5.00	$/m³	
Stockpile to Liner		9.00	$/m³	
Cut to Fill as Liner		9.00	$/m³	
Borrow to Fill as Liner		15.00	$/m³	
Structural Material				
Cut to Stockpile		5.00	$/m³	
Stockpile to Fill		6.00	$/m³	
Cut to Fill		8.00	$/m³	
Borrow to Fill		10.00	$/m³	
Groundwater Control/ Subsoil Drainage		90.00	$/m	
Prepare Subgrade for Laying Liner	Liner Type 1	1.00	$/m²	
	Liner Type 2	1.00	$/m²	
	Liner Type 3		$/m²	
	Liner Type 4		$/m²	
	Liner Type 5		$/m²	
	Liner Type 6		$/m²	
Specialised Subgrade Treatment		1.00	$/m²	

Leave cost blank for any liner type to which this feature does not apply

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MfE Landfill Full Cost Accounting Model

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Cost Input

Caroline Terrace Landfill Site
Scenario No. 1

Liner Supply & Installation (Synthetic)	Liner Type 1	24.00	$/m²	Leave cost blank for any liner type to which this feature does not apply
	Liner Type 2	27.00	$/m²	
	Liner Type 3		$/m²	
	Liner Type 4		$/m²	
	Liner Type 5		$/m²	
	Liner Type 6		$/m²	
Liner Protection Layer	Liner Type 1	7.50	$/m²	Leave cost blank for any liner type to which this feature does not apply
	Liner Type 2	15.00	$/m²	
	Liner Type 3		$/m²	
	Liner Type 4		$/m²	
	Liner Type 5		$/m²	
	Liner Type 6		$/m²	
Leachate Collection and Transmission System				
Leachate Collection Header Pipes (including fittings and filter fabric)		65.00	$/m	
Auxillary Leachate Collection Pipes (including fittings)		125.00	$/m	
Leachate Collection Sump		10,000	$ each	
Cleanout Ports/Manholes		2,500	$ each	
Automated Pump Station (pumps, valves, fittings, and electrical)		20,000	$ each	
Leachate Collection Layer	Liner Type 1	9.00	$/m²	Leave cost blank for any liner type to which this feature does not apply
	Liner Type 2	0.00	$/m²	
	Liner Type 3		$/m²	
	Liner Type 4		$/m²	
	Liner Type 5		$/m²	
	Liner Type 6		$/m²	
Leachate Pre-treatment Facility		80,000	$	
Leachate Disposal System		100,000	$	
Stormwater Management System				
Major Stormwater Diversion (E.g. Dams, Canal, etc)			$	
Open Drains		20.00	$/m	
Stabilised Drains / Flumes		0.00	$/m	
Piped Drains		200.00	$/m	
Stormwater Treatment Ponds				
Ponds		20,000	$	
Instrumentation		0	$	
Gas Management System				
Horizontal Collectors		50.00	$/m	
Vertical Extraction Wells		150.00	$/m	
Ring Header (below grade)		150.00	$/m	
Laterals to vertical wells (above grade)		0.00	$/m	
Condensate Traps		5,000	$ each	
Flare Stations				
Interim		0	$	
Final		0	$	
Final Cover - low permeability barrier layer placement				
Topsoil				
Stockpile to Final Cover		2.00	$/m³	
Import Topsoil to Final Cover		20.00	$/m³	
Unsuitables				
Stockpile to Final Cover		5.00	$/m³	
Shortfall - make up with Sub-Topsoil		5.00	$/m³	
Sub-Topsoil				
Stockpile to Final Cover		5.00	$/m³	
Borrow to Final Cover		5.00	$/m³	
Low Permeability Material				
Stockpile to Final Cover		12.00	$/m³	
Cut to Fill as Cover		12.00	$/m³	
Borrow to Fill as Cover		15.00	$/m³	
Geosynthetic layer		0.00	$/m²	
Drainage layer		0.00	$/m²	
Vegetation		1.00	$/m²	

Other

Change Operational Costs	1	$	In	1	st Year of Operation
Custom 5		$	In		Year of Operation
Custom 6		$	For Cell No.		
Custom 7		$/yr	For Cell No.		
Custom 8		$/cell	For All Cells		
Custom 9		$/yr	For All Cells		

OPERATION

Direct Costs & Indirect Costs	20,000	50,000	75,000	100000	200000	300000	500000	t/yr
Refuse Placement	11.00	11.00	11.00	11.00	11.00	11.00	11.00	$/t
Daily Cover	2.13	2.13	2.13	2.13	2.13	2.13	2.13	$/t
Nuisance Control Litter, Odour, Birds, Vector	0	0	0	0	0	0	0	$/yr
General Maintenance	7,800	7,800	7,800	7,800	7,800	7,800	7,800	$/yr
Salaries, Wages & Overhead	75,000	75,000	75,000	75,000	75,000	75,000	75,000	$/yr
On-Site Management								
Gate Control & Fee Collection								

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MfE Landfill Full Cost Accounting Model

Cost Input

Caroline Terrace Landfill Site
Scenario No. 1

Audit Fees			
Secretarial Fees			
Accounting Fees			
Legal			
Consultancy			
Insurance			
Waste Acceptance and Inspection			
Health & Safety			
Aftercare Levy	1.13	$/t	Calculates Last
Royalty & Host Fee		$/t	
Intermediate Cover	0.25	$/t	
Roading (Temporary)	0.25	$/t	
Leachate Tmt & Disposal			
Trucking Off Site (Prior to Disposal System Installation)	0.00	$/m³	
Operation of Disposal System	3.00	$/m³	
Trade Waste Charge - Untreated Leachate (For Trucked Leachate)	0.00	$/m³	
Trade Waste Charge - Treated Leachate (For Trucked Leachate)	0.00	$/m³	
Gas Control	0	$/ha/yr	Once Interim Flare Installed
Stormwater Maintenance	5,000	$/yr	
Monitoring - Stormwater, Groundwater, Leachate, Landfill Gas, Local Ecolog	20,000	$/yr	
Environmental Compliance	0	$/yr	
Bond	0	$/yr	
Regional Council Costs	5,000	$/yr	
Rates	0	$/yr	
Water Charges	0	$/yr	
Electricity Charges	2,000	$/yr	
Land Leasing	0	$/yr	
Custom 10		$/t	
Rates	350	$/yr	
CLOSURE			
General			
Removal of Facilities	10,000	$	
Modifications to site stormwater, leachate, landfill gas and other systems			
Final Cover	1.0%	of construction cost	
Landfill Gas Management System	1.0%	of construction cost	
Leachate Management System	1.5%	of construction cost	
Onsite Surface Water Control System	1.5%	of construction cost	
Design Consultants/ Third Party Engineering	6.0%	of construction cost	
AFTERCARE			
Administration	2,000	$/yr	
Regional Council Liaison	2,000	$/yr	
Site Inspection	100	$/ha/yr	
Final Cover System			
Final Cover maintenance	1,500	$/ha/yr	
Vegetation maintenance	2,500	$/ha/yr	
Leachate System maintenance			
Leachate Disposal	1.00	$/m³	
System maintenance	500	$/ha/yr	
Electricity	0	$/ha/yr	
Gas Management System			
Maintenance	0	$/ha/yr	
Replacement	0	$/ha/yr	
Electricity	0	$/ha/yr	
Environmental Monitoring System			
Groundwater	2,000	$/ha/yr	
Landfill Gas	750	$/ha/yr	
Leachate	750	$/ha/yr	
Stormwater	600	$/ha/yr	
Removal of Remaining Facilities	5,000	$	
End of Post Closure Certification	10,000	$	
Custom 12		$/yr	
Custom 13		$/ha/yr	
CONTINGENCIES			
Predevelopment	10.0%	of predevelopment cost	
Development	10.0%	of development cost	
Operations	10.0%	of operations cost	
Closure	10.0%	of closure cost	
Aftercare	10.0%	of aftercare cost	

MfE Landfill Full Cost Accounting Model

General Input

Ministry for the Environment — Manatū Mō Te Taiao | Tonkin & Taylor | EnviroWaste | Ernst & Young

Project Name	**Caroline Terrace Landfill Site**
Project Location	Caroline Terrace, Buller District
Scenario Number	1
Scenario Description	Assumes 12 cells of 1ha each. Waste tonnages are assumed at 4,200tpa.

SITUATION

(•) GreenFields Site — Choose this option for a site which has not yet been developed
( ) BrownFields Site — Choose this option for a site already in use

DATES

Project Commencement Date	7/1/2008	
Operation Commencement Date	7/1/2011	☑ Allow for Appeal
Predevelopment Period (Includes Initial Development Year, Rounded Down)	3.0 years	
Time of Land Purchase	2	nd year of Predevelopment Period
Time of Excess Land Sale	4	th year of Operation
Sunset Date	7/1/2046	
Consented Landfill Operating Life	35.0 years	
Actual Landfill Operating Life (Rounded Up)	35.0 years	Closure due to Sunset Date (30/06/46)
Aftercare Period	30 years	

WASTE

( ) Custom Waste Tonnages - See Waste Input Sheet — (•) Generated Waste Tonnages - See Below

Annual Waste Tonnage at Start of Operation	4,200	t/year
Annual Waste Tonnage Growth Rate	+ 0.	%
Minimum Allowable Annual Waste Tonnage	Must be greater than 1,000	t/year

Waste Stream

General Refuse	100% of annual waste tonnage
Special Refuse	0% of annual waste tonnage
Cleanfill	0% additional to annual waste tonnage

Waste Charging

General Refuse	100% - IBC
Special Refuse	150% of IBC
Cleanfill	50% of IBC

Assumed Compacted Waste Density (Excluding Cover)	0.80	t/m³
Target Cover to Waste Ratio (Daily and Intermediate)	1 : 4	
Volume Utilisation	1.563	m³/t

FINANCIAL

Cost of Capital

Planning And Consenting	Stage 1	8.0%	
Construction	Stage 2	8.0%	
Operation	Stage 3	8.0%	- Internal Rate of Return
Aftercare	Stage 4	8.0%	

Interest Rate (Risk Free Rate plus 0.5%) — 6.0% - interest rate on 10 year Govt. Bonds + 0.5%

(•) Apply Real Annual Movement to IBC over Whole Operating Life — ( ) Ramp IBC from Initial (known) Value to Final (unknown)Value over a Set Period

IBC Real Annual Movement + 0.0%

Version 3.1

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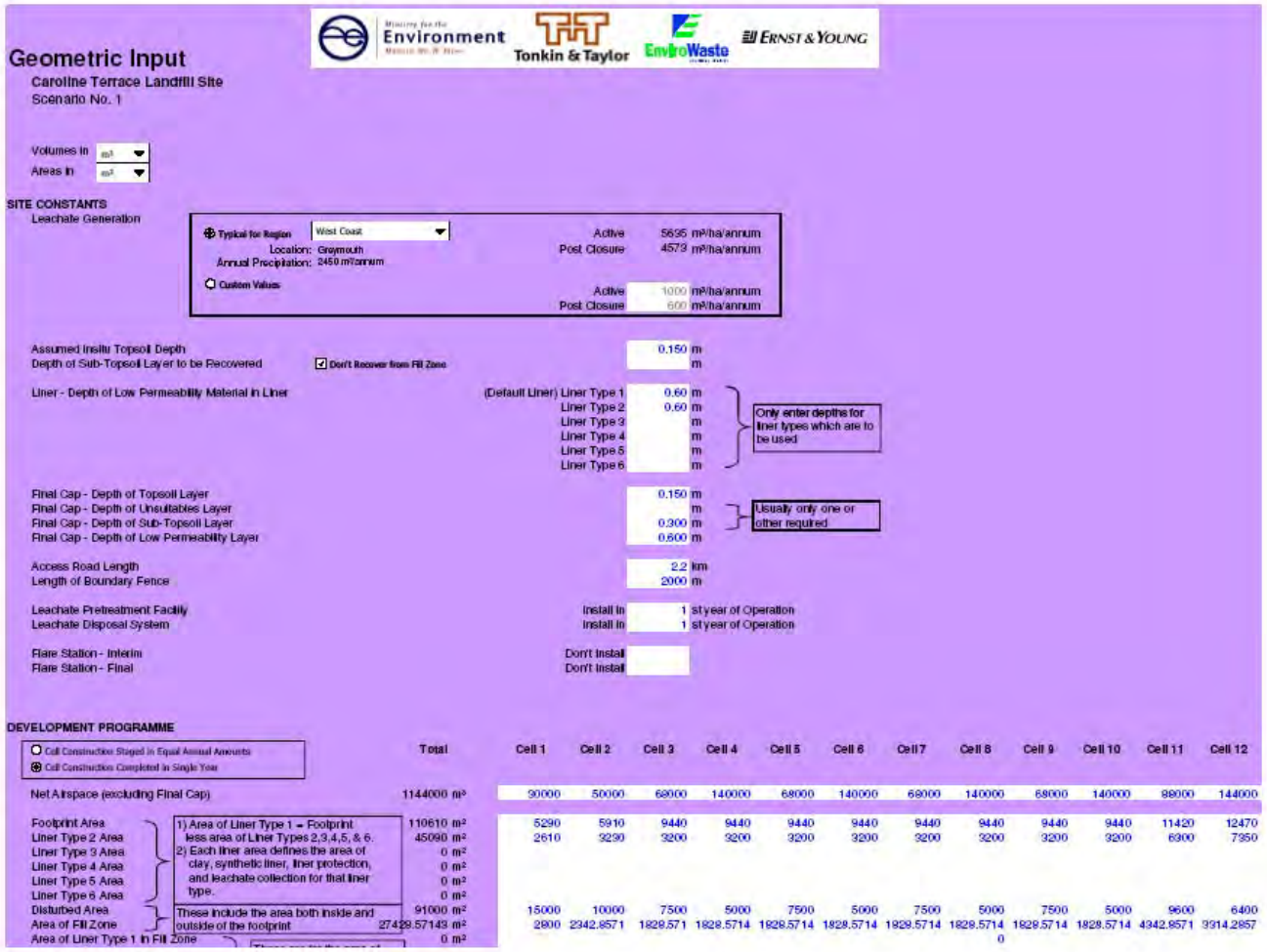
MfE Landfill Full Cost Accounting Model



Geometric Input

Caroline Terrace Landfill Site
Scenario No. 1

Volumes in m³
Areas in m²

SITE CONSTANTS

Leachate Generation

Typical for Region: West Coast — Location: Greymouth — Annual Precipitation: 2450 m³/annum
Active 5695 m³/ha/annum
Post Closure 4573 m³/ha/annum

Custom Values
Active 1000 m³/ha/annum
Post Closure 600 m³/ha/annum

Assumed Insitu Topsoil Depth	0.150	m
Depth of Sub-Topsoil Layer to be Recovered		m

Don't Recover from Fill Zone

Liner - Depth of Low Permeability Material in Liner		
(Default Liner) Liner Type 1	0.60	m
Liner Type 2	0.60	m
Liner Type 3		m
Liner Type 4		m
Liner Type 5		m
Liner Type 6		m

Only enter depths for liner types which are to be used

Final Cap - Depth of Topsoil Layer	0.150	m
Final Cap - Depth of Unsuitables Layer		m
Final Cap - Depth of Sub-Topsoil Layer	0.300	m
Final Cap - Depth of Low Permeability Layer	0.600	m

Usually only one or other required

Access Road Length	2.2	km
Length of Boundary Fence	2000	m

Leachate Pretreatment Facility	Install in 1	st year of Operation
Leachate Disposal System	Install in 1	st year of Operation
Flare Station - Interim	Don't Install	
Flare Station - Final	Don't Install	

DEVELOPMENT PROGRAMME

Cell Construction Staged in Equal Annual Amounts
Cell Construction Completed in Single Year

	Total	Cell 1	Cell 2	Cell 3	Cell 4	Cell 5	Cell 6	Cell 7	Cell 8	Cell 9	Cell 10	Cell 11	Cell 12
Net Airspace (excluding Final Cap)	1144000 m³	90000	50000	68000	140000	68000	140000	68000	140000	68000	140000	88000	144000
Footprint Area	110610 m²	5290	5910	9440	9440	9440	9440	9440	9440	9440	9440	11420	12470
Liner Type 2 Area	45090 m²	2610	9290	3200	3200	3200	3200	3200	3200	3200	3200	6300	7950
Liner Type 3 Area	0 m²												
Liner Type 4 Area	0 m²												
Liner Type 5 Area	0 m²												
Liner Type 6 Area	0 m²												
Disturbed Area	91000 m²	15000	10000	7500	5000	7500	5000	7500	5000	7500	5000	9600	6400
Area of Fill Zone	27429.57143 m²	2800	2342.8571	1828.571	1828.5714	1828.5714	1828.5714	1828.5714	1828.5714	1828.5714	1828.5714	4342.8571	3914.2857
Area of Liner Type 1 in Fill Zone	0 m²								0				

1) Area of Liner Type 1 = Footprint less area of Liner Types 2,3,4,5, & 6.
2) Each liner area defines the area of clay, synthetic liner, liner protection, and leachate collection for that liner type.

These include the area both inside and outside of the footprint

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MfE Landfill Full Cost Accounting Model

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Geometric Input

Caroline Terrace Landfill Site
Scenario No. 1

These are for the area of each type of liner which is to be placed in the zone where fill is required to achieve basegrade levels

Area of Liner Type 2 in Fill Zone	0	m²											
Area of Liner Type 3 in Fill Zone	0	m²											
Area of Liner Type 4 in Fill Zone	0	m²											
Area of Liner Type 5 in Fill Zone	0	m²											
Area of Liner Type 6 in Fill Zone	0	m²											
Area to be Cleared	91000	m²	15000	10000	7500	5000	7500	5000	7500	5000	7500	5000	9600	6400
Area of Bush to be Cleared	91000	m²	15000	10000	7500	5000	7500	5000	7500	5000	7500	5000	9600	6400
Area of Specialised Subgrade Treatment	110610	m²	5290	5910	9440	9440	9440	9440	9440	9440	9440	9440	11420	12470
Area of Liner Protection Layer	110610	m²	5290	5910	9440	9440	9440	9440	9440	9440	9440	9440	11420	12470
Final Cap Area	106500	m²	3000	6000	4600	13700	4600	13700	4600	13700	4600	13700	5800	18500
Required Cut (E.G. to Basegrade)	517700	m³	31000	22700	54400	41600	54400	41600	54400	41600	54400	41600	45900	34100
Useable Liner to be Removed from Cut Zone	66440	m³	3180	3550	5670	5670	5670	5670	5670	5670	5670	5670	6860	7490
Required Fill (E.G. to Basegrade)	48000	m³	4900	4100	3200	3200	3200	3200	3200	3200	3200	3200	7600	5800
Useable Liner to be Removed from Fill Zone	0	m³	0	0	0	0	0	0	0	0	0	0	0	0
Unsuitables Volume	51770	m³	3100	2270	5440	4160	5440	4160	5440	4160	5440	4160	4590	3410
Proportion of Unsuitables in Fill Zone	0%		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Topsoil														
Cut to Stockpile	19650	m³	2250	1500	1125	750.0000	1125	750.0000	1125	750.0000	1125	750.0000	1440	960.0000
Stockpile to Final Cover	4512	m³	450.0000	900.0000	690.0000	2472								
Import Topsoil to Final Cover		m³												
Unsuitables														
Cut to Stockpile	51770	m³	3100	2270	5440	4160	5440	4160	5440	4160	5440	4160	4590	3410
Stockpile to Final Cover		m³												
Shortfall - make up with Sub-Topsoil		m³												
Sub-Topsoil														
Cut to Stockpile		m³												
Stockpile to Final Cover		m³												
Borrow to Final Cover	9024	m³	900.0000	1800	1380	4944								
Low Permeability Material														
Cut to Stockpile	52.0000	m³	6.0000				6.0000	6.0000	6.0000	6.0000	6.0000	8.0000	8.0000	
Stockpile to Liner		m³												
Stockpile to Final Cover	6.0000	m³	6.0000											
Cut to Fill as Liner	66366	m³	3174	3546	5664	5664	5664	5664	5664	5664	5664	6852	7492	
Cut to Fill as Final Cover	22.0000	m³	4.0000	6.0000	6.0000	6.0000								
Borrow to Fill as Liner		m³												
Borrow to Fill as Final Cover	18020	m³	1790	3594	2754	9882								
Structural Material														
Cut to Stockpile	390327	m³	19064	6858	30407	15981	22204	32387	49532	32387	49532	32387	29656	21939
Stockpile to Fill		m³												
Stockpile to Daily Cover		m³												
Cut to Fill	52114	m³	5320	4451	3474	3474	3474	3474	3474	3474	3474	3474	8251	6297
Cut to Daily Cover	57422	m³	6563	13125	16406	21929								
Borrow to Fill		m³												
Borrow to Daily Cover		m³												
Length of Perimeter Access Road	3200	m	400	300	300	200	300	200	300	200	300	200	300	200
Subsoil Drainage	3680	m	220	220	330	330	330	330	330	330	330	330	300	300
Leachate Header Pipework	700	m	300	0	0	0	100	0	0	0	300	0	0	0
Leachate Collection Pipework	4980	m	290	290	450	450	450	450	450	450	450	450	400	400
Leachate Collection Sumps	3		1	0	0	0	1	0	0	0	1	0	0	0
Leachate Cleanout Port/Manhole	12		1	1	1	1	1	1	1	1	1	1	1	1
Leachate Pumpout Equipment	3		1	0	0	0	1	0	0	0	1	0	0	0

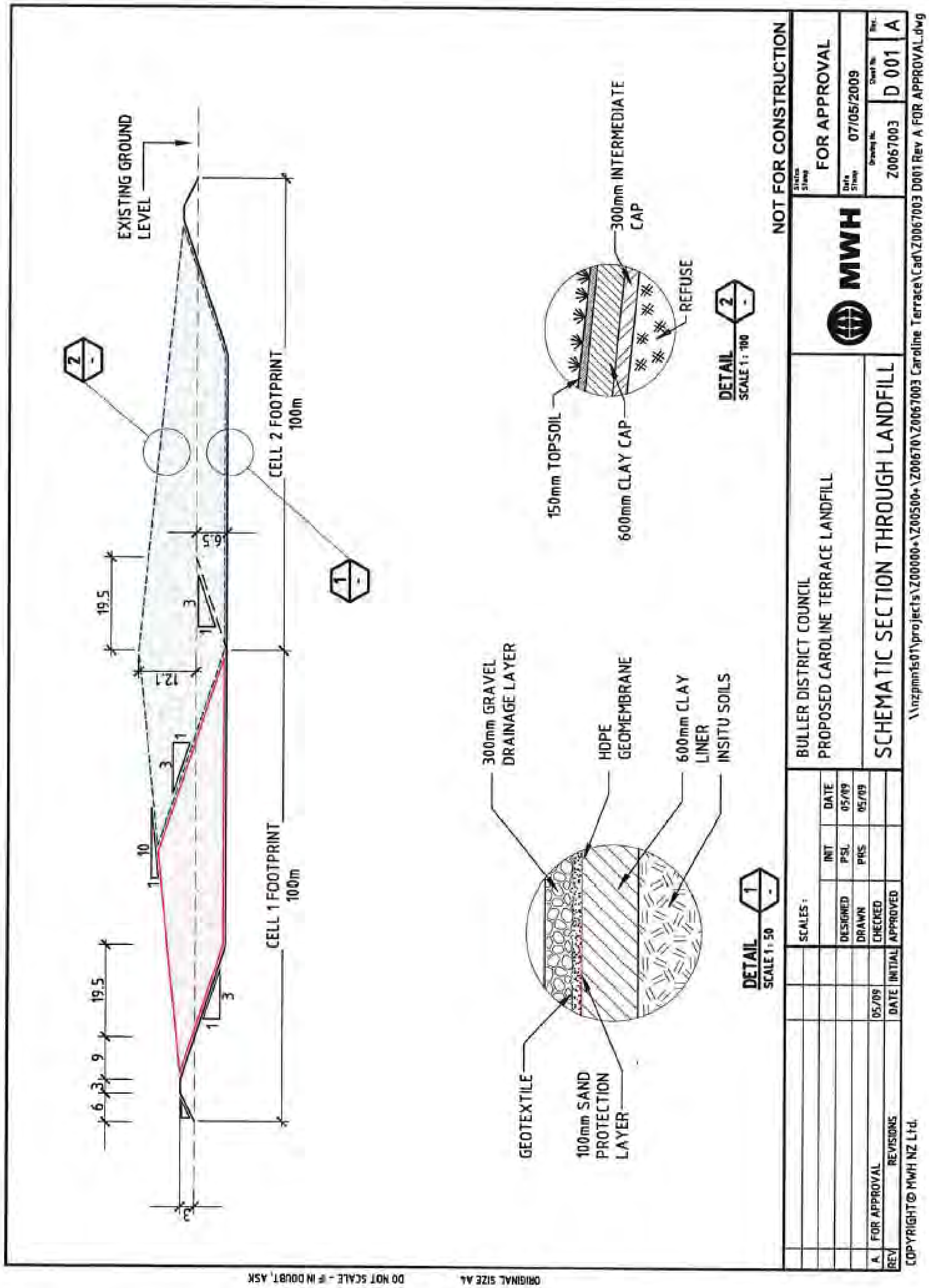
MfE Landfill Full Cost Accounting Model

Geometric Input

Caroline Terrace Landfill Site
Scenario No. 1

		Cell 1	Cell 2	Cell 3	Cell 4	Cell 5	Cell 6	Cell 7	Cell 8	Cell 9	Cell 10	Cell 11	Cell 12
Stormwater Open Drains	2940 m	500	280	260	160	260	160	260	160	260	160	300	180
Stormwater Stabilised Drains/Flumes	0 m	0	0	0	0	0	0	0	0	0	0	0	0
Stormwater Piped Drains	160 m	50	10	10	10	10	10	10	10	10	10	10	10
Gas Horizontal Collection Pipework	14870 m	530	590	1420	1420	1420	1420	1420	1420	1420	1420	1140	1250
Gas Vertical Extraction Wells	0 m	0	0	0	0	0	0	0	0	0	0	0	0
Gas Main Header Pipe	1400 m	300	200	0	100	0	100	100	100	100	100	100	200
Gas Laterals to Vertical Wells	0 m	0	0	0	0	0	0	0	0	0	0	0	0
Gas Condensate Traps	12	1	1	1	1	1	1	1	1	1	1	1	1

APPENDIX C – Typical Landfill Cross-section


EXISTING GROUND LEVEL
CELL 2 FOOTPRINT 100m
CELL 1 FOOTPRINT 100m
19.5
12.1
6.5
10
9
6
3
DETAIL SCALE 1 : 50
300mm GRAVEL DRAINAGE LAYER
HDPE GEOMEMBRANE
600mm CLAY LINER
INSITU SOILS
GEOTEXTILE
100mm SAND PROTECTION LAYER
DETAIL SCALE 1 : 100
150mm TOPSOIL
600mm CLAY CAP
300mm INTERMEDIATE CAP
REFUSE
NOT FOR CONSTRUCTION
FOR APPROVAL
07/05/2009
Z0067003
D 001
A
BULLER DISTRICT COUNCIL
PROPOSED CAROLINE TERRACE LANDFILL
SCHEMATIC SECTION THROUGH LANDFILL
MWH
DESIGNED PSL 05/09
DRAWN PRS 05/09
CHECKED
APPROVED
A FOR APPROVAL 05/09
REV REVISIONS DATE INITIAL
COPYRIGHT © MWH NZ Ltd.
\\nzpmn1s01\projects\Z00000+\Z00500+\Z00670\Z0067003 Caroline Terrace\Cad\Z0067003 D001 Rev A FOR APPROVAL.dwg
DO NOT SCALE - IF IN DOUBT, ASK
ORIGINAL SIZE A4

APPENDIX D – Sensitivity Analyses Results for NPV Financial Model

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BULLER DISTRICT COUNCIL
Comparison of *In-District* versus *Out-of-District* Waste Disposal Options

CHANGE WASTE QUANTITIES	In-District Disposal at Caroline Terrace Landfill					Out-of-District Disposal at York Valley Landfill				
	Total NPV Transport Costs	Transport Cost/Tonne	Total NPV Disposal Costs	Disposal Cost/Tonne	Total Cost per Tonne	Total NPV Transport Costs	Transport Cost/Tonne	Total NPV Disposal Costs	Disposal Cost/Tonne	Total Cost per Tonne
Decrease Waste by 1.176%	$600,000	$15	$6,781,000	$166	$180	$1,759,000	$43	$2,659,000	$65	$108
Decrease Waste by 0.850%	$638,000	$15	$7,083,000	$163	$178	$1,869,000	$43	$2,826,000	$65	$108
Decrease Waste by 0.547%	$675,000	$15	$7,304,000	$159	$173	$1,979,000	$43	$2,992,000	$65	$108
Decrease Waste by 0.265%	$713,000	$15	$7,538,000	$155	$170	$2,089,000	$43	$3,158,000	$65	$108
Base Scenarios	$751,000	$15	$7,769,000	$152	$167	$2,199,000	$43	$3,324,000	$65	$108
Increase Waste by 0.249%	$788,000	$15	$7,998,000	$149	$164	$2,309,000	$43	$3,490,000	$65	$108
Increase Waste by 0.483%	$826,000	$15	$8,254,000	$147	$161	$2,419,000	$43	$3,657,000	$65	$108
Increase Waste by 0.706%	$863,000	$15	$8,451,000	$144	$158	$2,529,000	$43	$3,823,000	$65	$108
Increase Waste by 0.916%	$901,000	$15	$8,672,000	$141	$156	$2,639,000	$43	$3,989,000	$65	$108
2,200tpa	$393,000	$15	$6,572,000	$245	$260	$1,152,000	$43	$1,741,000	$65	$108
3,200tpa	$571,000	$15	$7,201,000	$185	$199	$1,676,000	$43	$2,533,000	$65	$108
4,200tpa	$751,000	$15	$7,769,000	$152	$167	$2,199,000	$43	$3,324,000	$65	$108
5,200tpa	$928,000	$15	$8,271,000	$131	$145	$2,723,000	$43	$4,116,000	$65	$108
6,200tpa	$1,107,000	$15	$8,781,000	$116	$131	$3,246,000	$43	$4,907,000	$65	$108
7,200tpa	$1,285,000	$15	$9,378,000	$107	$122	$3,770,000	$43	$5,699,000	$65	$108
8,200tpa	$1,463,000	$15	$9,832,000	$98	$113	$4,294,000	$43	$6,490,000	$65	$108
9,200tpa	$1,642,000	$15	$10,351,000	$92	$107	$4,817,000	$43	$7,282,000	$65	$108

CHANGE ALL TRANSPORT COSTS	In-District Disposal at Caroline Terrace Landfill					Out-of-District Disposal at York Valley Landfill				
	Total NPV Transport Costs	Transport Cost/Tonne	Total NPV Disposal Costs	Disposal Cost/Tonne	Total Cost per Tonne	Total NPV Transport Costs	Transport Cost/Tonne	Total NPV Disposal Costs	Disposal Cost/Tonne	Total Cost per Tonne
Multiply Costs by 75%	$563,000	$11	$7,769,000	$152	$163	$1,649,000	$32	$3,324,000	$65	$97
Base Scenarios - 100%	$751,000	$15	$7,769,000	$152	$167	$2,199,000	$43	$3,324,000	$65	$108
Multiply Costs by 125%	$938,000	$18	$7,769,000	$152	$170	$2,749,000	$54	$3,324,000	$65	$119
Multiply Costs by 150%	$1,126,000	$22	$7,769,000	$152	$174	$3,299,000	$65	$3,324,000	$65	$130
Multiply Costs by 175%	$1,313,000	$26	$7,769,000	$152	$178	$3,848,000	$75	$3,324,000	$65	$140
Multiply Costs by 200%	$1,501,000	$29	$7,769,000	$152	$181	$4,398,000	$86	$3,324,000	$65	$151

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BULLER DISTRICT COUNCIL
Comparison of *In-District* versus *Out-of-District* Waste Disposal Options

CHANGE OUT-OF-DISTRICT TRANSPORT COSTS	In-District Disposal at Caroline Terrace Landfill					Out-of-District Disposal at York Valley Landfill				
	Total NPV Transport Costs	Transport Cost/Tonne	Total NPV Disposal Costs	Disposal Cost/Tonne	Total Cost per Tonne	Total NPV Transport Costs	Transport Cost/Tonne	Total NPV Disposal Costs	Disposal Cost/Tonne	Total Cost per Tonne
Base Scenarios - 100%	$751,000	$15	$7,769,000	$152	$167	$2,199,000	$43	$3,324,000	$65	$108
Multiply Costs by 133%	$751,000	$15	$7,769,000	$152	$167	$2,925,000	$57	$3,324,000	$65	$122
Multiply Costs by 167%	$751,000	$15	$7,769,000	$152	$167	$3,672,000	$72	$3,324,000	$65	$137
Multiply Costs by 200%	$751,000	$15	$7,769,000	$152	$167	$4,398,000	$86	$3,324,000	$65	$151
Multiply Costs by 233%	$751,000	$15	$7,769,000	$152	$167	$5,124,000	$100	$3,324,000	$65	$165
Multiply Costs by 267%	$751,000	$15	$7,769,000	$152	$167	$5,872,000	$115	$3,324,000	$65	$180

CHANGE DISCOUNT RATE	In-District Disposal at Caroline Terrace Landfill					Out-of-District Disposal at York Valley Landfill				
	Total NPV Transport Costs	Transport Cost/Tonne	Total NPV Disposal Costs	Disposal Cost/Tonne	Total Cost per Tonne	Total NPV Transport Costs	Transport Cost/Tonne	Total NPV Disposal Costs	Disposal Cost/Tonne	Total Cost per Tonne
Reduce to 5%	$1,045,000	$15	$10,818,000	$152	$167	$3,062,000	$43	$4,629,000	$65	$108
Reduce to 6.5%	$877,000	$15	$9,081,000	$152	$167	$2,570,000	$43	$3,885,000	$65	$108
Base Scenarios - 8%	$751,000	$15	$7,769,000	$152	$167	$2,199,000	$43	$3,324,000	$65	$108
Increase to 9.5%	$653,000	$15	$6,760,000	$152	$167	$1,913,000	$43	$2,892,000	$65	$108
Increase to 11%	$577,000	$15	$5,968,000	$152	$167	$1,689,000	$43	$2,554,000	$65	$108

CHANGE CAROLINE TERRACE DEVELOPMENT COSTS	In-District Disposal at Caroline Terrace Landfill					Out-of-District Disposal at York Valley Landfill				
	Total NPV Transport Costs	Transport Cost/Tonne	Total NPV Disposal Costs	Disposal Cost/Tonne	Total Cost per Tonne	Total NPV Transport Costs	Transport Cost/Tonne	Total NPV Disposal Costs	Disposal Cost/Tonne	Total Cost per Tonne
Multiply Costs by 75%	$751,000	$15	$6,636,000	$130	$144	$2,199,000	$43	$3,324,000	$65	$108
Base Scenarios - 100%	$751,000	$15	$7,769,000	$152	$167	$2,199,000	$43	$3,324,000	$65	$108
Multiply Costs by 125%	$751,000	$15	$8,903,000	$174	$189	$2,199,000	$43	$3,324,000	$65	$108
Multiply Costs by 150%	$751,000	$15	$10,037,000	$196	$211	$2,199,000	$43	$3,324,000	$65	$108
Multiply Costs by 175%	$751,000	$15	$11,171,000	$218	$233	$2,199,000	$43	$3,324,000	$65	$108
Multiply Costs by 200%	$751,000	$15	$12,304,000	$241	$255	$2,199,000	$43	$3,324,000	$65	$108

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BULLER DISTRICT COUNCIL
Comparison of *In-District* versus *Out-of-District* Waste Disposal Options

CHANGE CAROLINE TERRACE OPERATIONAL COSTS	In-District Disposal at Caroline Terrace Landfill					Out-of-District Disposal at York Valley Landfill				
	Total NPV Transport Costs	Transport Cost/Tonne	Total NPV Disposal Costs	Disposal Cost/Tonne	Total Cost per Tonne	Total NPV Transport Costs	Transport Cost/Tonne	Total NPV Disposal Costs	Disposal Cost/Tonne	Total Cost per Tonne
Multiply Costs by 75%	$751,000	$15	$7,116,000	$139	$154	$2,199,000	$43	$3,324,000	$65	$108
Base Scenarios - 100%	$751,000	$15	$7,769,000	$152	$167	$2,199,000	$43	$3,324,000	$65	$108
Multiply Costs by 125%	$751,000	$15	$8,423,000	$165	$179	$2,199,000	$43	$3,324,000	$65	$108
Multiply Costs by 150%	$751,000	$15	$9,076,000	$177	$192	$2,199,000	$43	$3,324,000	$65	$108
Multiply Costs by 175%	$751,000	$15	$9,729,000	$190	$205	$2,199,000	$43	$3,324,000	$65	$108
Multiply Costs by 200%	$751,000	$15	$10,382,000	$203	$218	$2,199,000	$43	$3,324,000	$65	$108

CHANGE YORK VALLEY DISPOSAL COSTS	In-District Disposal at Caroline Terrace Landfill					Out-of-District Disposal at York Valley Landfill				
	Total NPV Transport Costs	Transport Cost/Tonne	Total NPV Disposal Costs	Disposal Cost/Tonne	Total Cost per Tonne	Total NPV Transport Costs	Transport Cost/Tonne	Total NPV Disposal Costs	Disposal Cost/Tonne	Total Cost per Tonne
Base Scenarios - 100%	$751,000	$15	$7,769,000	$152	$167	$2,199,000	$43	$3,324,000	$65	$108
Multiply Costs by 120%	$751,000	$15	$7,769,000	$152	$167	$2,199,000	$43	$3,989,000	$78	$121
Multiply Costs by 140%	$751,000	$15	$7,769,000	$152	$167	$2,199,000	$43	$4,654,000	$91	$134
Multiply Costs by 160%	$751,000	$15	$7,769,000	$152	$167	$2,199,000	$43	$5,319,000	$104	$147
Multiply Costs by 180%	$751,000	$15	$7,769,000	$152	$167	$2,199,000	$43	$5,984,000	$117	$160
Multiply Costs by 200%	$751,000	$15	$7,769,000	$152	$167	$2,199,000	$43	$6,648,000	$130	$173