

STAFF REPORT

TO: Chair and Members Engineering Services
FROM: Utilities Asset Engineer, David Stephenson
REFERENCE: R377
DATE: 10 July 2006
SUBJECT: **PROVISION TO CHARGE FOR REFUSE BY WEIGHT**

1 PURPOSE

The purpose of this report is to recommend to the Engineering Services Committee a new Resource Recovery Centre mixed refuse gate charge, on the basis of weight.

2 BACKGROUND

Council currently accepts rubbish and recyclable materials from the general public and commercial operators at four Resource Recovery Centres (RRC's) and at the Murchison landfill.

Disposal fees for mixed refuse are charged on the basis of volume, and are currently set at \$28 per cubic metre. Volumes are assessed by the kiosk operator on site or, where loads can not be inspected (such as in compactor trucks), by the vehicle driver.

Current fees are intended to recover the cost of RRC operation and the transport and disposal of the refuse, and have been determined on the basis that refuse is delivered in a loose state (in the order of three cubic metres to the tonne).

As RRC income is based on refuse volume and operating costs are generally based on the refuse tonnage, the true density of waste influences the profit or loss of the operation.

A two week trial, using a weighbridge at Oldfields Asphalts in Beach Road, was recently conducted to establish the density of refuse delivered in large commercial vehicles. A summary of these results is presented in the following table. The table also presents the equivalent TDC weight based charge and the NCC charge for comparison.

Waste type	Maximum density (m ³ / t)	Minimum density (m ³ / t)	Average density (m ³ / t)	TDC average charge per tonne (incl GST)	NCC charge per tonne (incl GST)
Compacted	1.13	2.95	1.61	\$44.95	\$57.00
Loose	0.88	8.82	2.80	\$78.37	\$57.00

Results of the weighbridge trial indicated that significant quantities of waste are delivered to the RRC's in a dense state. This waste is effectively being charged at a significantly lower rate than the cost of disposal (approximately \$78 per tonne) and a lower rate than that at the NCC York Valley landfill.

Further weighbridge trials are proposed at the Mariri site in late July and at the Takaka site in early August.

3 PROPOSED WEIGHT BASED CHARGES

It is proposed that Council provide immediate provision for charging of refuse on a weight basis for gross weights of 3000kg and over. This would enable Council to recover fees from commercial operators on an equitable basis, and remove uncertainty from waste measurement.

Preliminary discussions with weighbridge operators in Richmond, Motueka and Takaka have indicated the availability of these for Council use in the short to medium term. Weighbridge facilities are expected to be available in Richmond from August, and in Motueka (for Mariri) and Takaka from September this year. A permanent weighbridge is also proposed at the Richmond site later this financial year.

As indicated above, the cost of disposal from Council RRC's is in the order of \$78 per tonne, however it is unlikely that this price would be sustainable in the current commercial market. While preliminary discussions with refuse operators indicate that a fee between \$57 and \$70 may be acceptable, the risk of applying a charge higher than \$57 is that waste (and income) may be diverted to the York Valley landfill.

A fee of \$57 per tonne is proposed, with Council covering the cost of weighbridge tickets (\$5 to \$8 per ticket).

If refuse quantities are unchanged by these charges, the proposed rate is expected to increase income to Council at the Beach Road site by \$35,000 per annum. This figure allows for an increased income from compacted loads, decreased income from loose commercial loads and the cost of weighing.

Results of further trials will be required to project income changes at Mariri and Takaka sites.

4 RECOMMENDATION

THAT effective 1 September 2006 Council impose a weight--based charge of \$57 per tonne for mixed refuse on vehicles exceeding 3000kg gross weight, where a Council provided weighbridge is available.

David Stephenson
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