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Corporate Plan Output: Liquid Wastes	

The purpose of this report is to seek the Council's approval of the new Trade Wastes Bylaw as a draft for inviting submissions from the public, and to seek approval to start the formal process of consultation as required by the Local Government Act. (The draft bylaw is tabled.)

#### **BYLAW REVIEW PROCESS**

In 1989, following local government amalgamation, the Christchurch City Council adopted the Trade Wastes Bylaw that had been approved in 1967 by the Christchurch Drainage Board. Practitioners accept that the Bylaw needs a review as it does not fit well with the Resource Management Act (RMA) with its emphasis on pollution effects, or with the Local Government Act (LGA) and its encouragement towards a user-pays and incentives/disincentives charging system. The Council had started revising the Bylaw following amalgamation in 1989 but the Standards Association independently started developing a new national model bylaw so it was decided to wait for this to appear. This national model was released in draft form late in 1995 and a consultant's adaptation of this for use in Christchurch was received late in 1996.

In August 1997 the Council resolved to set up a working group of City Councillors (Councillors Howell and Evans), representatives of Canterbury Manufacturers' Association, and Council staff to further review the Bylaw and develop a version to recommend to the Council. The version of the Bylaw circulated is the result of that consultative process, and subsequent modifications after legal advice. The working group has further reviewed it after these later modifications, and it has the group's support, although the CMA reserves the right to lodge a submission if their members request that during the public consultation process. The next step required under the Local Government Act is for the Council to publicly notify its intention to make a bylaw and to invite written representations from owners or occupiers of trade premises. While that particular group is the only one specified in the Act it is recommended that the Council receive submissions from all who might want to comment.

#### **LEGISLATIVE REQUIREMENTS**

LGA (1974) authorises councils to set up trade wastes bylaws and dictates the process for developing a bylaw. Essentially it requires the Council to advertise its intention to make a bylaw, to invite submissions on the proposed, to consult the Minister of Health, and to consult any other body designated by the Minister. The Minister has indicated he does not want to designate any special organisation to be consulted. The working group consultation noted above was an additional preliminary step initiated by our Council before advertising and seeking public submissions.

The LGA Amendment Act No 4 (1996) encourages councils to adopt a user-pays and incentives/disincentives approach to services wherever it is possible to identify a user or group of users and to identify their costs. Suppliers of trade wastes are one such group. They contribute about 9% of the total volume of wastewater that comes to the Christchurch Wastewater Treatment Plant and a higher proportion of the pollution loading.

Unlike domestic customers they are subject to permits and charges set for individual businesses according to the quantities of waste they send to the plant.

It should be noted that the Act as it currently exists restricts the way in which councils can charge for domestic-type wastes from trade premises. It is widely accepted among trade wastes managers throughout New Zealand that the Act is unhelpfully prescriptive in its wording. This makes it difficult to implement the intention of the LGA Amendment Act No 4, in that it is debatable whether it permits charging for removal of low strength pollutants from trade wastes, despite the fact that there may be large volumes and hence a large total amount of pollutant. In August 1999 the Council put a submission in to the Internal Affairs and Local Government Select Committee to have this section amended, but because of the short time given for notification the committee would not hear this submission. It is considered that the Council should co-ordinate with other local authorities in New Zealand to seek to amend this part of the Act. However it is considered appropriate to proceed with developing a new bylaw now as it is likely to be at least two years before we could expect the amendment to be enacted, and also the consequent changes to the Bylaw would probably only affect the charging policy and charging schedule, and not the Bylaw itself.

The RMA (1991) requires people to address environmental effects of pollutants, in particular to concentrate on the impacts of what leaves the treatment plant rather than just what is supplied to it. So in addition to setting concentration limits (to protect the infrastructure and staff) the Council may now set total mass limits for pollutants that match the ability of the plant to treat these and discharge an acceptable amount to whatever receiving environments are used. (These environments could be the ocean, estuary, air or forests.) The RMA also widens the range of pollutants that should be addressed in the Bylaw. The main impacts of this at the moment will be to restrict trace elements, particularly heavy metals, because of biosolids consent requirements, and to set targets that do not restrict the reuse options for biosolids in the future, e.g. as an additive to compost. It is expected that the biosolids controls will be more than adequate to satisfy any likely conditions on a consent to discharge wastewater.

## **PROPOSED CHANGES FROM 1967 BYLAW**

In brief the key changes proposed from the 1967 Bylaw are:

- provision to set mass limits on a range of trace elements, organic compounds and other chemicals,
- charges for contaminants other than BOD and suspended solids (mainly trace elements for now),
- charges for quantity delivered, not rates of flow or capacities,
- small users to be charged on the same basis as major users, ie for quantity and characteristics.

## **TRADE WASTES BYLAW CHARGING POLICY**

The following points are recommended for adoption as Council policy for charging for trade wastes disposal. They are mainly points that have been agreed to by the bylaw working group.

“The purposes of the Council’s policy on charging for trade wastes are to:

- expand and clarify the application of the Trade Wastes Bylaw to charges that should be made,
  - give certainty to industry,
  - state the assumptions behind the charges so there will be openness and consistency in setting charges each year.
1. The Council will aim for full recovery of costs of collecting and processing trade wastes from the contributors of those wastes, except where the Council considers it is in the community’s interest to offer incentives or disincentives to reduce trace elements.
  2. Charges will be based on the full costs of the Liquid Wastes Operating Budget for all outputs, less all internal and external revenue, but not including trade wastes revenue. The cost of depreciation will be taken as the budgeted Liquid Wastes long-run average renewal and replacement costs for infrastructural assets.
  3. Quantities and costs of variables listed in the schedule of charges will be taken as the three-year rolling mean, to minimise fluctuations and improve predictability of costs and recoveries for both trade premises and the Council.
  4. For trace elements, levels allowed in biosolids under the Health Department soil guidelines will be adopted as targets for 2007, and intermediate targets will also be set as shown in table 1. It is acknowledged however that:

- guidelines are likely to change and the targets will be modified to follow changes in Health Department guidelines,
- targets for zinc might have to be modified after a review of domestic contributions to adopt figures that are considered achievable.

Table 1: target levels for trace elements in biosolids (**all figures mg/kg dry weight**)

<b>Pollutant</b>	<b>Present level</b>	<b>Target level July 2001</b>	<b>Target level July 2004</b>	<b>Target level July 2007</b>
As	10	10	10	10
Cd	9	6	4	3
Cr	1300	1100	900	600
Cu	440	330	210	140
Ni	100	80	60	35
Pb	240	240	240	240
Zn	1650	1100	600	300

5. Trace element charges specified under this will be based on the calculated additional cost of forest application of biosolids over the farm application as at April 1998. There will be no charges for trace elements discharged before 1 July 2001, providing industrial contributions do not increase above 1997/98 average levels as measured in the biosolids lagoons each month. After 1 July 2001 the charges will only be levied if the targets in Table 1 are not achieved and in that event the Council will levy the charge on all industrial contributors of that trace element.
6. These measures will be reviewed if, with the passage of time, the contaminant levels are not lowered enough for biosolids or other discharges to comply with consents or for the Council to develop new markets for biosolids.
7. Where a new industry or an expansion of an existing industry is proposed and there is a concern that their trade wastes might cause the total of any contaminant to exceed mass limits set in the Bylaw or discharge consents, the Council will negotiate for agreement on allowable contributions with all industries that contribute that contaminant. If an agreement cannot be reached after negotiation the Council itself will decide what contributions can be accepted from each party. Matters the Council would consider would include the priority for having the new or expanded industry, the Council's ability to anticipate triggers implied by discharge consents, and the attention given by each of the industries concerned to good housekeeping practices with their waste management regime.

8. Each year proposed charges will be listed in the Council's draft Annual Plan and will be open to submission through the Annual Plan process. Trade wastes charges will be discussed with the Canterbury Manufacturers' Association in any year where it is proposed to raise any component of the trade wastes charges by more than the Producers' Price Index in the preceding year to 30 June.
9. A peak v off-peak volume charge differential (a ratio of 3:1) is to be an ongoing arrangement, to encourage trade premises to move their discharge times away from peak daytime sewer flow periods.
10. Where, as a result of the new Bylaw and charging policy, the Trade Wastes charges for an individual trade premise increase by more than \$2,000 **and** 20% per a year a phase-in period of up to three years from 1 July 2000 may be negotiated with the Council.
11. Where agreements on charging arrangements have been made with an individual trade premise prior to 1 July 2000, these will continue in place until they expire, or until 1 July 2002, whichever is first.
12. Special arrangements for small dischargers (less than 5m<sup>3</sup> per day) will be that they will pay for their volume discharged at the peak volume cost rate, i.e. not the off-peak rate, and they will be charged as a minimum the equivalent of 1.5m<sup>3</sup> volume charge per day. In all other respects small dischargers will be charged on the same basis as others."

#### **PROCESS FOR ENACTING BYLAW**

The following steps are mainly dictated by the Local Government Act. Note that consultation with the Selwyn District Council is required under the Council's agreement to accept wastes from Prebbleton, Tai Tapu and Lincoln.

City Services and Council adopt draft Bylaw for consultation	Nov/Dec 1999
Notice of draft Bylaw published for submissions	mid Jan 2000
Consult with Selwyn District Council and its industries	Jan-Feb 2000
Close submissions (LGA specifies minimum of two months from advertising)	mid March 2000
Council subcommittee hears submissions	late March 2000
Council subcommittee produces final draft Bylaw	late March 2000
Minister of Health comments on final draft Bylaw	April 2000
Council receives final draft Bylaw and sets charges	May 2000
Council publicly notifies Bylaw and charges (1 <sup>st</sup> time)	late May 2000
Council publicly notifies Bylaw and charges (2 <sup>nd</sup> time)	June 2000
Council gives final approval to Bylaw and charges	June 2000
Bylaw comes into operation	1 July 2000

## **SCHEDULE OF CHARGES**

Proposed charges and fees under the new Bylaw are shown in the extract from the draft Schedule of Trade Waste Charges that is attached to the bylaw. These will apply from 1 July 2000 and will be reviewed each year as part of the Council's Annual Plan process.

## **SUMMARY**

The Council's existing Trade Wastes Bylaw was developed in 1967. The proposed new Bylaw will better implement the requirements of the Resource Management Act and the Local Government Amendment Act No 4, and follows the pattern of a new New Zealand Standard Bylaw. A result of the proposed charging system has been a reduction in costs as manufacturers have cleaned up their production. The proposed Bylaw has been developed by a working group made up of Councillors, staff and representatives of the Canterbury Manufacturers' Association and it is recommended for adoption as a draft for public submissions, with a view to having it operative by 1 July 2000.

- Recommendation:**
1. That the Council adopt as policy the measures in the section above on "Trade Wastes Bylaw charging policy".
  2. That the Council adopt the tabled version of the Bylaw as a draft for seeking submissions.
  3. That the Council implement the consultative process specified in the Local Government Act as described above, and also invites submissions from all members of the public.
  4. That a City Services Committee subcommittee of Councillors O'Rourke, Howell and Evans be appointed to hear submissions on the draft Bylaw.
  5. That the Council co-ordinate with other local authorities in New Zealand to modify the Trade Wastes section of the LGA so that councils can more sensibly implement the requirements of the LGA, Amendment Act No 4 (1996).