

1. REVIEW OF TRADE WASTE BYLAW

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| Officer responsible City Water and Waste Manager | Author Mike Bourke, Operations Maintenance Manager DDI 941-8364 |
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The purpose of this report is to seek adoption of the recommendations of the Trade Waste Bylaw Review Subcommittee as recommended by the Sustainable Transport and Utilities Committee. This Subcommittee has considered changes to the system of calculating the main trade waste charges, and reviewed the basis of charging for particular pollutants. Although the changes being recommended are of a minor nature, they are important in that they will enhance the stability of pricing for industry and the stability of the Council's revenue stream while ensuring industry meets its share of costs. The Subcommittee considerations have taken into account the implications of the recently released New Zealand Waste Strategy, the new Guidelines for the Application of Biosolids to Land and the change in the 2003/04 financial year in accounting for depreciation.

BACKGROUND

Christchurch has had a Trade Waste Bylaw since 1967 and the Bylaw was last reviewed and changes adopted in July 2000. At that time it was acknowledged that a further review would be required when new Guidelines for the Application of Biosolids to Land were developed. In the preparation of the 2002/03 budget a change was made to the method of calculating charges to limit substantial cost increases for industry and a review of the Bylaw was instigated at that time. This review by the appointed Subcommittee consisting of Councillors Chrissie Williams, Megan Evans, Carol Evans and Denis O'Rourke has now been completed and the report of that Subcommittee is tabled.

Industry generally faces a 16% increase in Trade Waste costs on average in the 2003/04 year mainly due to the new method of calculation of depreciation.

Discussions have been held with the Canterbury Manufacturers Association whose representatives have generally accepted the proposed changes. Further consultation with individual industries facing larger increases (up to 32%) in the 2003/04 year have begun. Although this increase could be seen as large, the trade waste component of most company's business is usually a small proportion of its total turnover.

The Council Solicitors have advised that Section 494 of the Local Government Act 1974 requires that any change to trade waste charges imposed by the Council be made by way of special order pursuant to Section 716B if that Act.

CURRENT REVIEW

This current review of the Trade Waste Bylaw has carefully taken into account the following:

- The new New Zealand Waste Strategy that this Council has already adopted in principal,
- The new New Zealand Guidelines for Biosolids Application to Land,
- The growing concern regarding mercury in the environment,
- The impacts of new accounting for depreciation of infrastructural assets,
- The need for stable pricing for industry and consistent revenue for Council,
- The requirement for the Council to recover all identifiable costs.

SUMMARY OF SUBCOMMITTEE DELIBERATIONS

The Subcommittee's deliberations and report are summarised as follows:

- The achievement of smoothing trade waste charges and consistently increasing trade waste revenue requires the continuation of use of a rolling average charge calculation mechanism. A six-year rolling average provides an equitable solution.
- The new biosolids guidelines require a review of the target metal levels and changes to the quantum of charges for metals. The discharge of mercury into the wastewater system needs to be addressed and appropriate reuse/recovery options developed.
- The sustainability of the peak to off-peak ratio of three to one is questionable and the long-term use of this ratio may prove to be inequitable and the ratio may need to be reduced, however, in the mean time no change is recommended, although this may need to be reviewed in two years time.

- The move away from (long run average renewal accounting) LRARA depreciation in 2003/04 adds a significant increase to the wastewater budget and these increases are now included in the proposed trade waste charges.
- The implications of the adoption of the New Zealand Waste Strategy will require trade waste dischargers to adopt a formal waste minimisation and management programme.

Recommendation: That the Trade Waste Charging Policy be changed to achieve the following:

1. In line with the New Zealand Waste Strategy all Trade Waste consents issued after December 2005 will ensure that holders of consents have in place a recognised waste minimisation and management programme.
2. Charges for heavy metals discharged to be based on a proportion of the budgeted Biosolids Application and Reuse costs and that these charges be calculated annually but the basis of these charges be reviewed three yearly.
3. That by 31 December 2005 all dental facilities have in place an approved mercury amalgam trapping system and that staff investigate appropriate reuse and recovery opportunities for the mercury.
4. That the peak to off-peak ratio remain at three to one but that staff work with the Canterbury Manufacturers Association to assess likely future changes to peak and off-peak trade waste flows and that the ratio be reviewed in December 2004.
5. The Trade Waste Unit charges for flow, biochemical oxygen demand and suspended solids be based on a six year rolling average of costs that include two years budget and four years actual costs, and six years of actual flows and loads.