

Consultation Period:

Monday 25 March - Friday 30 April 2024



Palmerston North City Council

Notice of Consultation

PROPOSED AMENDMENTS TO FEES AND CHARGES FOR TRADE WASTE

1. INTRODUCTION

It is Council's policy to review its fees and charges for trade waste each year in accordance with the Palmerston North Trade Waste Bylaw.

Changes to these fees and charges are required to be approved using the consultation principles of the Local Government Act.

2. BACKGROUND

2.1 Revenue & Financing Policy Requirements

As part of Council's financial framework it has in place a Revenue and Financing Policy that was adopted in 2021.

The policy defines how operating expenditure for each activity will be funded. In summary the funding sources are from either, user charges or targeted rates (private), rates (public), or based on the exacerbator principle whereby the cost of an activity can be attributed to an individual or a group of individuals.

Some of the discharges of trade waste into the sewerage system use up more of the sewerage systems capacity than normal domestic discharges.

Council's Revenue and Financing policy states "volumes of trade waste are capable of being measured so those who discharge trade waste should be charged based on the nature and volume of discharge". The setting of the charges is regulated under Council's Trade Waste Bylaw 2022 and a specific charging mechanism has been established to recover the extra costs imposed on the Council's system.

These costs are incurred in the following way;

- Compliance Monitoring – the inspection, sampling and analysis of trade waste discharges
- Trade Waste Application – the processing of new or renewal applications
- Consent Processing – when the cost of processing the consent exceeds the normal application fee
- Re-inspection – for re-inspection of premises when a notice served by the Council has not been complied with
- Annual Trade Waste Charges – for administration and monitoring of individual consent holders
- Trade Waste Charges – these are for the impact of consented discharges on Council’s system.

The following factors impact on the fees and charges;

- Costs to administer and monitor consents
- Cost of operating the Palmerston North sewerage system
- Flows within the Palmerston North sewerage system
- Loading on the Palmerston North Wastewater Treatment Plant.

These costs, flows and loadings vary from year to year.

2.2 Statutory Requirements

The Council adopted the latest version of the Palmerston North **Trade Waste** Bylaw in 2022 under its statutory powers contained in the Local Government Act 2002 (LGA). Accordingly, in terms of section 150 of the LGA the trade waste charges are required to be set in a manner giving effect to the requirements of the Act. Schedule 1 of the Bylaw contains a list of types of charges that may be imposed. In June 2023 the Council adopted the current schedule of charges following appropriate consultation.

2.3 Factors Impacting on Setting Fees and Charges

A number of other considerations are factored into the proposed fees. They are:

Transparency It is important that fees and charges are structured in a manner that clearly identifies the specific service being provided and the true cost of providing such services.

Fair and reasonable That the charges are demonstrated to be fair and reasonable.

Market comparable Where appropriate.

2.4 Outline of Proposed Fees and Charges

The proposed fees and charges are shown in detail below:

Palmerston North City Council

Trade Waste Charges

Pursuant to the Palmerston North Trade Waste Bylaw 2022

Category		2023/2024 Charge (GST Incl.)	2024/2025 Charge (GST Incl.)	Description
Administrative Charges (Table 2 – Schedule 1)				
2.2	Compliance Monitoring - Conditional Consents	\$237 per sampling & analysis	\$250 per sampling & analysis	Fee to recover inspection and monitoring costs of trade premises
2.2	Compliance Monitoring – Grease Trap Sampling Fee	\$120 per inspection	\$130 per inspection	Fee to recover inspection and sampling costs of grease traps
2.4	Trade Waste Application Fee	\$1,600	\$1,700	Fee to recover cost of processing new or renewal applications
2.5	Consent Processing Fee	\$195 per hour	\$210 per hour	Fee to recover cost of processing extraordinary applications
2.6	Re-inspection Fee	\$195 per inspection	\$210 per inspection	Fee to recover cost of re-inspections of individual trade premises
2.9	Trade Waste Charge - Permitted Consents for Grease traps/Oil interceptors/Amalgam traps	\$120 per annum	\$130 per annum	Charge to recover administration and monitoring cost of grease traps/ oil interceptors & other treatment devices/ amalgam traps at dental surgeries
2.9	All other premises (conditional) plus trade waste charges	\$1,320 per annum	\$1,410 per annum	Charge to recover administration and monitoring cost of trade waste consents
2.9	Discharge administration fee	\$600 per annum	\$650 per annum	Charge to recover administration and monitoring costs of permitted customers with discharges exceeding 5m ³ /day
Trade Waste Charges (Table 3 – Schedule 1)				
3.1	Volume Charge (\$/m ³)	\$0.6039/m ³	\$0.694 /m ³	Charge to recover sewerage collection costs
3.3	Suspended Solids Charge (SS) (\$/kg)	\$0.6468/kg SS	\$0.744 /kg SS	Charge to recover suspended solids treatment costs
3.4	Organic Loading Charge (BOD) (\$/kg)	\$0.6173/kg BOD	\$0.71 /kg BOD	Charge to recover organic loading treatment costs
3.6	Phosphorous Charge (DRP) (\$/kg)	\$33.7434/kg DRP	\$38.805 /kg DRP	Charge to recover phosphorous (DRP) removal costs
Tankered Waste Charges (Table 4 – Schedule 1)				
4.1	Tankered Wastes Charge	\$45/1,000 litres	\$45/1,000 litres	Charge to recover administration, receiving and treatment costs of tankered wastes

The volume dependent charges are based on historic flows, strengths and costs. The proposed 2024/25 charges are based on flows and costs over the three years to August 2022. The proposals assume an increase of approx. 15% in each of these fees. The overall operating cost of the wastewater activity is budgeted in 2024/25 to increase by 26% over the 2023/24 budget. Due to the scale of this increase it is proposed the increase in these fees be staged over two years.

The fixed charges are set to recover direct costs of sampling, analysis and administration of tradewaste effluent charged from conditional consent holders under the provisions of the bylaw. Sampling is required to confirm compliance with the consent conditions and in conjunction with the measured flows used to determine the monthly charges. It is proposed that each of the administrative charges be increased by 7% to reflect increasing operating costs.

2.5 Level of Service

As part of the process of preparing the 10 Year Plan 2021-31 the level of service for all areas was considered. This determined that the current levels are appropriate. No changes are proposed for the 2024-34 Long-term Plan.

3. DESCRIPTION OF OPTIONS

It is Council policy to review fees and charges on a yearly basis. This enables Council to be satisfied that they are transparent, fair and reasonable and market comparable. This does not necessarily mean that fees will be increased every year.

The options available include no change being made, proceeding with the recommendations or changing fees by a different amount. If no change is made or fees are increased by a lesser amount, the proposed budgeted revenue for 2024/25 cannot be met. This will result in the level of ratepayer funding having to be increased to make up the shortfall or the level of services being reduced.

The remaining option is to proceed with the recommended changes. This will ensure that the charges for providing the services are fair and reasonable. It will ensure that the revenue attained from fees and charges reflects the true cost to Council of providing such services.

4. FINANCIAL IMPLICATIONS

The proposed fees and charges will enable the budget targets for 2024/25 as defined in the proposed Long-term Plan 2024-34 to be met based on the volume assumed. In particular it will enable the generation of \$1.17 million of revenue from trade waste charges.

5. MAKING A SUBMISSION

Submissions on the proposal are invited and must be received by the Council during the submission period which opens on Monday 25 March 2024 and closes at 5.00 pm on Tuesday 30 April 2024. Enquiries may be directed to the Group Manager – Three Waters on telephone 356 8199.

Submissions must be in writing and may be delivered, posted or emailed to:

Democracy & Governance Manager
Palmerston North City Council
Private Bag 11-034
Palmerston North 4442

Email submission@pncc.govt.nz

Submissions should include the name and address of the person making the submission, including a daytime telephone contact number, and also advise if they wish to speak about their submission to a meeting of Councillors.

Waid Crockett
Chief Executive

