

**Notice of the ordinary meeting of the**

**Nelson Tasman Regional Landfill Business Unit**  
***Tira ā-Rohe Pakihi Ruapara o Whakatū,***  
***o Te Tai o Aorere***

Date:	13 December 2019
Time:	9.30a.m.
Location:	Tasman District Council Chamber 189 Queen Street Richmond

## **Agenda**

### ***Rārangi take***

<b>Chair</b>	To be appointed
<b>Deputy Chair</b>	To be appointed
<b>Members</b>	Tasman District Cr Stuart Bryant Tasman District Cr Trindi Walker Nelson City Cr Judene Edgar Nelson City Cr Kate Fulton Andrew Stephens (Iwi Representative)

Quorum: 3

**Pat Dougherty**  
**Chief Executive**

Nelson City Council Disclaimer

Please note that the contents of these Council and Committee Agendas have yet to be considered by Council and officer recommendations may be altered or changed by the Council in the process of making the formal Council decision.

## ***Nelson Tasman Regional Landfill Business Unit – Delegations***

The Nelson Tasman Regional Landfill Business Unit (NTRLBU) is a joint committee of Nelson City and Tasman District Councils. The NTRLBU is governed by a Terms of Reference (A1983272).

### **Areas of Responsibility**

- Matters relating to the operation and use of the York Valley and Eves Valley landfills as regional landfill facilities, and the timing of their use.

### **Powers to Decide**

- Setting of fees and charges for waste disposal at the regional landfill facilities by 30 June each year; including the power to apply discounted fees and charges for the disposal of waste in bulk; and to determine other circumstances where discounted fees and charges may be applied.
- Decisions to accept (or not accept) waste that is generated outside the Nelson-Tasman region.

### **Power to Recommend to Councils:**

- Any other matters under the area of responsibility of the Business Unit
- All recommendations to Council will be subject to adoption of an equivalent resolution by the other Council, unless it is a matter specific to one Council only.

### **Quorum:**

- The Memorandum of Understanding governing the NTRLBU allows for either four or five members to be appointed. The quorum at a meeting is either two (if four members are appointed), or three (if five members are appointed), including at least one from each local authority.

### **Procedure:**

- The Standing Orders of the Council providing administration to the committee shall be applied at each meeting.
- The Chairperson will not have a casting vote
- Copies of minutes of meetings of the Nelson Tasman Regional Landfill Business Unit will be retained by each Council for record keeping purposes

**1 Apologies**

1.1 An apology from Andrew Stephens (Iwi Representative) was received.

**2. Confirmation of Order of Business**

**3. Interests**

3.1 Updates to the Interests Register

3.2 Identify any conflicts of interest in the agenda

**4. Public Forum**

**5. Appointment of Chairperson and Deputy Chairperson 5 - 5**

Document number R13691

Recommendation

***That the Nelson Tasman Regional Landfill Business Unit***

- 1. Receives the report Appointment of Chairperson and Deputy Chairperson (R13691); and***
- 2. Appoints \_\_\_\_\_ as Chairperson of the Nelson Tasman Regional Landfill Business Unit for the triennium 2019-2022; and***
- 3. Appoints \_\_\_\_\_ as Deputy Chairperson of the Nelson Tasman Regional Landfill Business Unit for the triennium 2019-2022.***

**6. Nelson Tasman Regional Landfill Business Unit General Manager Update**

**6 - 35**

Document number R13695

Recommendation

***That the Nelson Tasman Regional Landfill Business Unit***

- 1. Receives the report Nelson Tasman Regional Landfill Business Unit General Manager Update (R13695) and its attachments (A2313830, A2313829 and A2313868); and***
- 2. Confirms the feedback from the Councils for inclusion in the updated Nelson Tasman Regional Landfill Business Unit Business Plan 2020/21 (A2313868).***

***That the Nelson City and Tasman District Councils***

- 3. Approves the revised Nelson Tasman Regional Landfill Business Unit Business Plan 2020/21 (A2313868) following feedback from Nelson City Council.***

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## Appointment of Chairperson and Deputy Chairperson

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### 1. Purpose of Report

- 1.1 To appoint a new Chairperson and Deputy Chairperson for the new triennium.

### 2. Recommendation

***That the Nelson Tasman Regional Landfill Business Unit***

1. ***Receives the report Appointment of Chairperson and Deputy Chairperson (R13691); and***
2. ***Appoints \_\_\_\_\_ as Chairperson of the Nelson Tasman Regional Landfill Business Unit for the triennium 2019-2022; and***
3. ***Appoints \_\_\_\_\_ as Deputy Chairperson of the Nelson Tasman Regional Landfill Business Unit for the triennium 2019-2022.***

### Attachments

Nil



## Nelson Tasman Regional Landfill Business Unit Joint Committee

13 Dec 2019

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**Report Title: NTRLBU Acting General Manager's Update**

**Report Author: Don Clifford, Acting General Manager**

**Report Number: R13695**

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### 1. Purpose of Report

- 1.1 This report provides the three-monthly update on activity of the Nelson Tasman Regional Landfill Business Unit (NTRLBU).
- 1.2 To request approval from both Councils for the updated Nelson Tasman Regional Landfill Business Unit Business Plan 2019/20.

### 2. Report Summary

- 2.1 The landfill operations are generally running well and aligned with Plan.

### 3. Recommendation

*That the*

- 1. ***Receives the report (R13695) and its attachments (A2313830, A2313829 and A2313868); and***
- 2. ***Confirms the feedback from the Councils for inclusion in the updated Nelson Tasman Regional Landfill Business Unit Business Plan 2020/21 (A2313868).***

*That the Nelson City and Tasman District Councils*

- 1. ***Approves the revised Nelson Tasman Regional Landfill Business Unit Business Plan 2020/21 (A2313868) following feedback from Nelson City Council.***

### 4. Health and Safety

- 4.1 The contractor at York Valley has reported no significant incidents.

## **5. Operations**

### **Finance report on trading to date**

- 5.1 Attachment **1** includes the financial reports to the end of October 2019:
- Income Account for the period to 31 October 2019
  - Balance Sheet as at 31 October 2019
- 5.2 Generally, we have continued the same trend as for earlier this year; with income and costs slightly above budget.
- 5.3 Year-to-date landfill fees received were 101% against budget.
- 5.4 TDC staff costs are 500% of the YTD budget; mostly due to operations management.
- 5.5 Acting General Manager opex costs are 106% of the YTD budget.
- 5.6 No costs have been coded to General Manager Other Professional Advice (c.f. to YTD budget of \$33k)
- 5.7 Total year-to-date staff and administration costs were down significantly to only 76% against YTD budget due to lower activity.
- 5.8 There were unprogrammed expenses for the O&M contract of approximately \$40k above the YTD budget; which included a response to a stormwater "sinkhole" on the Eastern side of the York valley landfill
- 5.9 The net YTD deficit after levy was \$19,559.

## **6. Landfill Operations and Maintenance – York Valley and Eves Valley**

- 6.1 The new contract commenced on 1 January 2019. The Eves Valley site was taken over on 1 July 2019.
- 6.2 The new compactor was delivered in July 2019; staff training is continuing.
- 6.3 The weighbridge is now operating well as a result of scheduled maintenance (to avoid a repeat of the dirt build-up issues).
- 6.4 Residual waste tonnages are tracking slightly above budget projections (6,000 tonnes per month vs plan of 5,800t). As per the previous year, the high volumes are likely to be associated with continuing high activity in the construction industry.
- 6.5 Landfill costs have tracked above budget. York Valley expenses are up due to the higher cost of the operations contract and higher waste levy (as a result of the increased volumes). Eves Valley costs are up due to un-budgeted maintenance costs.

## Item 6: Nelson Tasman Regional Landfill Business Unit General Manager Update

- 6.6 The ETS levy is up slightly (103% YTD) due to both volume increase and price increase.
- 6.7 At the current rate of landfill we are still tracking to use up the available York Valley airspace by approximately 2031/2032.
- 6.8 A consultant has been engaged to advise on the stormwater control systems at York Valley; there will be follow-on work required to prepare design solutions.

### **7. York Valley & Eves Valley Annual Monitoring Reports**

- 7.1 A consulting engineering firm has been engaged to address the recommendations from the Annual Monitoring Report for York Valley Landfill.
- 7.2 Good progress is being made.
- 7.3 A separate consulting engineering firm has been engaged to address the recommendations from the Annual Monitoring Report for Eves Valley Landfill.
- 7.4 Good progress is being made.

### **8. Joint Landfill Asset Management Plan**

- 8.1 At the NTRLBU meeting on 22 June 2018 the committee approved the draft Asset Management Plan (AMP) being issued to both councils for approval.
- 8.2 Nelson City Council approved the AMP on 15 November 2018. Tasman District Council approved the AMP in February 2019.
- 8.3 A consultant will soon be engaged to undertake a review of the AMP and to confirm alignment with recent Business Plans.

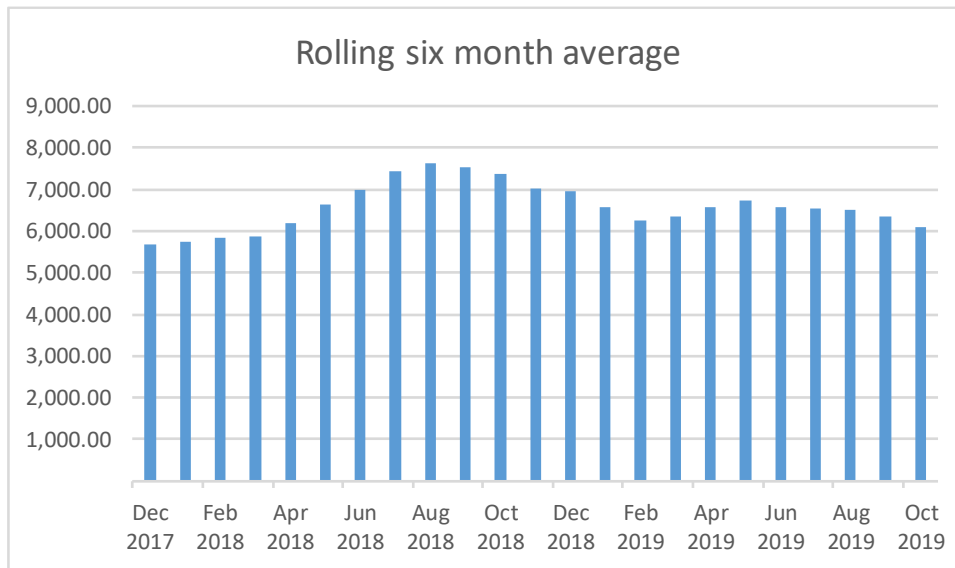
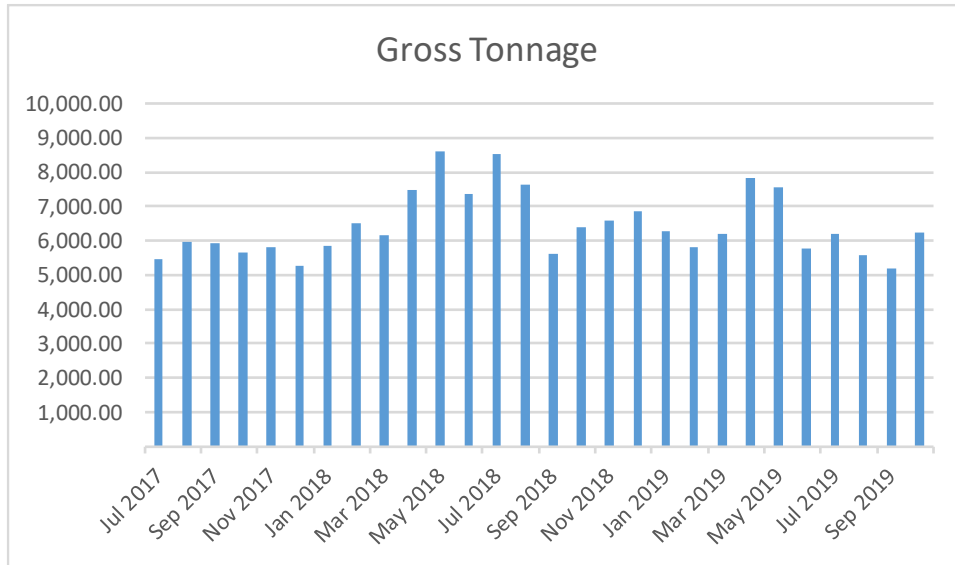
### **9. Business Plan**

- 9.1 Tasman District Council approved the 2019/2020 Business Plan on 9 May 2019. Nelson City Council approved the 2019/2020 Business Plan in June 2019.
- 9.2 The board approved the 2020/2021 Business Plan at the September 2019 meeting.
- 9.3 Subsequent feedback has been received from Nelson City Council requesting some minor text clarifications.
- 9.4 These minor additions are highlighted in yellow on attachment 3.



**10. York Valley Landfill Tonnages**

10.1 The tables below show recent weighbridge records of total tonnages per month received at York Valley. For comparison, the 2019/20 budgets are based upon an average monthly tonnage of approximately 5,800 tonnes.



**11. Annual Report**

11.1 The 2018/2019 annual report was submitted to both councils for consideration and approval.

**12. Emissions**

12.1 Nelson City Council and Tasman District Council are both considering their Emissions "footprint". As the NTRLBU assets are jointly owned by the councils, then the Business Unit will also need to assess its

emissions. A notional allowance of \$100,000 per year has been added to the Business Plan 2020/2021 for this activity.

### **13. Emissions Trading Scheme (ETS)**

- 13.1 The Acting General Manager is investigating ways to reduce costs.
- 13.2 The ETS Levy is a significant component of the costs of operating the landfill.
- 13.3 Currently we are paying the ETS Levy on the basis of the Default Emissions Factor of 1.19. The annual cost is approximately \$2m.
- 13.4 One option that has been identified is to apply to the Environmental Protection Agency (EPA) for a Unique Emissions Factor (UEF). The Climate Change (Unique Emissions Factor) Regulations 2009 provide the framework to apply for a UEF for a specific site.
- 13.5 As a start, the Acting General Manager is working towards a Clause 23C application relating to the landfill gas collection and destruction system.
- 13.6 If successful there is the further option to undertake "SWAP" studies to assess the typical make-up of waste being placed in the landfill. That information may indicate a further possibility to adjust the UEF if the waste composition is favourable (in comparison to the default).
- 13.7 The UEF is related to the efficiency of the gas destruction system. A hypothetical efficiency of only 4% might result in a UEF of 1.15 which would save approximately \$70k per year. If our gas destruction efficiency is say 20%, that would yield a UEF of 0.95 – a saving in the order of \$480k per year.
- 13.8 It is therefore considered worthwhile to incur some cost and effort into applying for a UEF.  
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- 13.9 We have engaged a Consultant to formally apply for the UEF; and another firm to be the "Recognised Verifier". These costs had not been explicitly budgeted; so they could be coded to the O&M budget contingency item "Professional Advice".

### **14. Stormwater Control at York Valley**

- 14.1 A draft options report has been received from the consultant for the Western side of York Valley (which is at risk).
- 14.2 Rough order consultant's estimates for the options range from \$600k to \$1.4m
- 14.3 The contractor has been asked to provide feedback and an independent rough estimate for each option.

## **15. Truck Wash**

- 15.1 A new project approved in the Business Plan is to install a truck wash at York Valley.
- 15.2 The current concept being developed is to install it within the existing wheel wash structure.

## **16. Road Surface renewal**

- 16.1 The condition of the existing York valley sealed road surface is being assessed.
- 16.2 It is likely that a reseal will be required.

## **17. Government landfill levy consultation**

- 17.1 The Government has just released "Reducing waste: a more effective landfill levy consultation document" Publication date: November 2019  
Publication reference number: ME 1470  
<https://www.mfe.govt.nz/sites/default/files/media/Waste/reducing-waste-a-more-effective-landfill-levy-consultation-document.pdf>
- 17.2 The Government is proposing to increase the landfill levy and apply it to more types of waste. This consultation document is seeking feedback on proposals to:
- increase the levy for municipal landfills (those that take household waste)
  - apply the levy to all types of landfill except cleanfills (accepting only virgin excavated natural materials) and farm dumps
  - apply the levy at different rates for different landfill types, to reflect different environmental and social costs of disposal, and different opportunities for recovery of different materials
  - collect better waste data.
- 17.3 The proposal would see the landfill levy progressively expanded to all landfill types and increased from \$10 to \$50 or \$60 per tonne at municipal landfills that take household waste by 2023.
- 17.4 The consultation closes at 5pm on Monday 3 February 2020.
- 17.5 The Board therefore has an opportunity to consider the Government proposals; and to provide feedback.
- 17.6 Because the Acting General Manager's tenure is about to end, guidance is sought from the Board members as to what feedback, if any, they wish to send to Government.

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## **18. Management**

18.1 For the Board to review progress against the approved current year Business Plan a tracking document has been created.

18.2 The Key Performance Measures tracking report is attachment 2.

### **Don Clifford, Acting General Manager NTRLBU**

#### **Attachments**

A2313830 - Financial Report to 31 October 2019

A2313829 - Key Performance Measures tracking report

A2313868 - Updated Nelson Tasman Regional Business Unit Business Plan 2020/21

**Nelson Tasman Regional Landfill Business Unit**

**Balance Sheet as at 31st October 2019**

	<b>Current</b>	<b>Last Month</b>	<b>30 June 2019</b>
<b>Equity</b>			
Equity 1 July	6,504,327	6,504,327	6,285,296
Plus Net Income	(19,559)	16,615	219,031
<b>Closing Equity</b>	<b>6,484,768</b>	<b>6,520,942</b>	<b>6,504,327</b>
<b>Which was invested as follows -</b>			
<b>Current Assets</b>			
NCC Current Account	676,569	1,046,213	651,312
Debtors	4,993	4,993	549,376
NZETS units	3,080,194	2,584,194	2,584,194
<b>Total Current Assets</b>	<b>3,761,755</b>	<b>3,635,399</b>	<b>3,784,882</b>
<b>Fixed Assets</b>	<b>5,731,416</b>	<b>5,748,303</b>	<b>5,801,173</b>
<b>Investments</b>	<b>3,409,445</b>	<b>3,405,613</b>	<b>3,394,115</b>
<b>Total Assets</b>	<b>12,902,616</b>	<b>12,789,316</b>	<b>12,980,170</b>
<b>Less Liabilities</b>			
<b>Current Liabilities</b>			
Sundry Creditors	75,608	121,837	62,794
NCC Creditor	31,407	31,407	838,849
ETS Accrual	1,689,007	1,503,282	997,307
Aftercare provision - Current	291,694	293,859	295,340
<b>Total Current Liabilities</b>	<b>2,087,715</b>	<b>1,950,385</b>	<b>2,194,289</b>
<b>Term Liabilities</b>	<b>4,330,134</b>	<b>4,317,989</b>	<b>4,281,555</b>
<b>Net Assets</b>	<b>6,484,768</b>	<b>6,520,942</b>	<b>6,504,327</b>

**Nelson Tasman Regional Landfill Business Unit**

**Income Account for the period to 31st October 2019**

	Actual Month	Budget Month	Actual YTD	% YTD	% Year	2019/20 YTD	Budget Annual
<b>Income</b>							
Landfill Fees	883,590	816,812	3,289,822	101%	34%	3,267,250	9,801,749
Other recoveries	4,993	4,250	20,477	120%	40%	17,000	51,000
Interest	3,832	6,914	15,330	55%	18%	27,657	82,972
<b>Total Income</b>	<b>892,415</b>	<b>827,976</b>	<b>3,325,629</b>	<b>100%</b>	<b>33%</b>	<b>3,311,907</b>	<b>9,935,721</b>
<b>Less Expenses</b>							
Staff and Administration	23,745	31,880	96,971	76%	25%	127,520	382,558
<b>York Valley Expenses</b>							
Landfill Operation	179,785	163,464	706,130	108%	36%	653,857	1,961,568
ETS Levy	185,725	168,583	691,700	103%	34%	674,333	2,023,000
Depreciation	15,620	18,189	64,689	89%	30%	72,756	218,266
Aftercare provision	5,695	11,085	22,779	51%	17%	44,340	133,019
Contingency and Advice	110,302	19,582	132,051	169%	56%	78,332	235,000
<b>Eves Valley Expenses</b>							
Holding Costs	-	867	-	0%	0%	3,467	10,400
Depreciation	1,267	1,267	5,068	100%	33%	5,068	15,202
Aftercare provision	6,450	13,059	25,800	49%	16%	52,236	156,708
<b>Total Expenses</b>	<b>528,589</b>	<b>427,976</b>	<b>1,745,188</b>	<b>102%</b>	<b>34%</b>	<b>1,711,909</b>	<b>5,135,721</b>
<b>Net Surplus before levy</b>	<b>363,825</b>	<b>400,000</b>	<b>1,580,441</b>	<b>99%</b>	<b>33%</b>	<b>1,599,998</b>	<b>4,800,000</b>
Local Disposal Levy	400,000	400,000	1,600,000	100%	33%	1,600,000	4,800,000
<b>Net Surplus (Deficit) after Levy</b>	<b>(36,175)</b>	<b>0</b>	<b>(19,559)</b>			<b>(2)</b>	<b>0</b>



Nelson Tasman  
Regional Landfill Business Unit

**Tracking of the KPMs within Business Plan  
2019/20**



Item 6: Nelson Tasman Regional Landfill Business Unit General Manager Update:  
Attachment 2

**BUSINESS OBJECTIVES AND PERFORMANCE MEASURES**

The objectives outlined below describe the long term aims of the business unit. Performance is to be reported quarterly to the Joint Committee and annually or six monthly, as appropriate, to the shareholding councils.

Long Term Objectives	Key Performance Measures	Status
<i>Landfill capacity is available to receive solid waste generated within the Nelson Tasman region.</i>		
The development of a new sanitary landfill is agreed on by the time that the estimated remaining useful life of the current active landfill is five years.	1) Reporting the available landfill airspace annually (in terms of years remaining).  2) Adequate planning has been completed and agreed to before the five year wind down period begins.	Achieved: in recent Annual Report  Budget has been approved in 2020/2021 Business Plan to start RC works for Stage 3 at Eves Valley.
Levels of service are defined in all contracts and are met.	100% compliance with service level agreements by all contractors.	Defined in "new" O&M contract and being met.
<i>The costs of disposal to landfill are affordable</i>		
The cost of disposal to landfill is minimised.	That the sum of the landfill surplus/deficit as measured over a five year period does not exceed the value set by the joint committee (the NTRLBU retains up to \$300,000 of surpluses for the purpose of managing year-by-year income fluctuations)	Costs are examined and monitored.
The economic lives of all assets are optimised.	Three yearly internal audit of asset management practices confirms this.	Some assets are beyond life expected life and need renewal
The available airspace at the landfill is used efficiently.	Airspace consumption of 1.23m <sup>3</sup> per tonne of residual waste received is maintained or improved.	Good compaction is being achieved at York Valley



Item 6: Nelson Tasman Regional Landfill Business Unit General Manager Update:  
Attachment 2

Long Term Objectives	Key Performance Measures	Status
New technology choices are well understood and are proven to be reliable, sustainable and cost effective.	All significant technology choices are supported by cost benefit analysis, independent peer review, energy efficiency analysis, risk analysis and, where appropriate, by other users of those technologies.	New technologies are being successfully employed; such as the new GPS enabled Compactor.
<i>Risks associated with the services provided are identified and mitigated to a level agreed with owners.</i>		
Risk management plans include all significant health and safety, environmental, cultural, social, economic and contractual risks.	No event, which impacts on agreed levels of service, occurs that has not been identified in the NTRLBU risk management plans.	Achieved by the approved AMP
Contingency plans adequately address emergency events.	The effectiveness of the York Valley Landfill Management Plan is reviewed and confirmed following incidents which require activation of the plan.	No incidents have triggered activation of plan.
<i>We engage the right people, with the right skills and experience.</i>		
Those engaged with the NTRLBU have the right skills, experience and support to perform well.	Annual staff performance reviews include assessment of the skills and experience required in their role in NTRLBU and their development needs are identified and met.  The Joint Committee reviews its performance at least annually.	Not fully achieved due to Operations personnel changes.  Achieved by Annual Report review and approval.
Operation and maintenance manuals reflect best practice for the activity are followed consistently.	An internal audit every three years confirms this.	Has not yet been audited
<i>NTRLBU operates sustainably and endeavours to remedy or mitigate any identified adverse environmental, social or cultural impact</i>		
NTRLBU minimises adverse environmental, social and cultural impacts where this is economically viable.	Environmental, social and cultural impacts are considered in all decision making.	GM does consider these aspects

Item 6: Nelson Tasman Regional Landfill Business Unit General Manager Update:  
Attachment 2

Long Term Objectives	Key Performance Measures	Status
<i>Good relationships are maintained with all stakeholders</i>		
Shareholders are satisfied with the strategic direction and the economic performance of the business unit.	All strategic and business plans are approved by shareholders.  Budget projections are met.	Achieved: both Councils adopted B Plan  Finances are tracking to budget
Good relationships are maintained with all stakeholders including owners, iwi, customers, contractors, neighbours, and the wider community.	All complaints or objections are addressed promptly.  All applications for resource consents are approved.  Up to date information on activities and achievements are publicly available.	Achieved.  N/A  Not achieved.
<i>All statutory obligations are met</i>		
All statutory obligations are identified and met and are included in contracts with suppliers.	100% compliance with all statutory obligations.	Achieved in "new" O&M contract
All resource consent requirements are met.	100% compliance with all resource consents.	Recent performance has been compliant

**1. BUSINESS IMPROVEMENT PLAN**

This section describes initiatives to improve the efficiency and effectiveness of the Business Unit and is based on the Nelson Tasman Regional Landfill Business Unit Strategic Plan and referenced to the 2018 NTRLBU Asset Management Plan.

IP	Description	Resource Requirements	Progress
1	Optimise procurement of landfill operation and management services	Internal and consultant	Completed (new contract in place)
2	Optimise landfill cover	Contract Manager and Contractor	Ongoing with new contract in place
3	Develop long term strategy for storm water management	Board, Internal and consultant	Consultant has commenced the study
4	Review landfill gas harvesting	Internal and consultant	A UEF will soon be applied for

**APPENDIX A: Nelson Tasman Regional Landfill Business Unit – Joint Committee Activity Schedule 2019-2020**

Date	Activity	Papers required	Status
By 31 August 2019	Review draft Annual Report and Financial Statement	Draft annual report and financial statement	Achieved
By 15 September 2019	Deliver draft Annual Report to Councils		Achieved
By 31 October 2019	Review joint committee planning/meeting timetable Adopt draft business plan for presentation to Tasman District Council and Nelson City Council Review and update Interests Register	Planning/meeting timetable Draft Business Plan Interests Register	Dates set for 2020 B Plan 2020/2021 submitted to both councils New Chair yet to confirm this
By 31 May 2020	Present Annual Report and Business Plan to Tasman District Council and Nelson City Council	Annual Report and Business Plan	On track
By 30 June 2020	Review joint committee performance Receive report on Contingency Plan review by customer representatives Review customer satisfaction survey results Review Audit Management Report	Checklist for joint committee effectiveness Report on Contingency Plan review by customer representatives Customer survey report Audit Management Report	To be addressed in 2020

**APPENDIX B: Landfill Levels of Service Targets**

Related Community Outcomes	Strategic Themes	Levels Of Service	Performance Indicators	Method of Measurement	Target	Status
<b>SOLID WASTE DISPOSAL - NTRLBU will provide a landfill for waste disposal</b>						
Health Environment Education	Impacts	All landfill activities, facilities and services comply with resource consent conditions, site management plans and appropriate legislative requirements.	Compliance with resource consents	Number of non-compliances	Nil	Achieved
		Adequate landfill airspace available to ensure future sustainability of solid waste disposal.	Available landfill space that has been consented  Available landfill space that has been developed	Years of available consented landfill space  Years of available developed landfill space	5 Years  2 Years	Achieved  Achieved
	Costs	Cost effective and sustainable landfill services available.	No rates required to support landfill activities	User Pays %	100%	Achieved
	Demand	NTRLBU operational contracts require minimum standards of waste compaction to maximise landfill	Waste compaction density exceeds minimum target level.	Surveyed compaction	> 0.8t/m <sup>3</sup>	Achieved

Item 6: Nelson Tasman Regional Landfill Business Unit General Manager Update:  
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Related Community Outcomes	Strategic Themes	Levels Of Service	Performance Indicators	Method of Measurement	Target	Status
		capacity.  Landfills are open at convenient times.	Hours and days that the landfill is available for disposal	Opening hours specified	100%	Achieved
	Health and Safety	Landfill activity provided in a safe manner and pose no health and safety risks to nearby residents.	No reported incidences of injury or illness attributable to use of facilities.	Complaints and incident forms.	Nil	Achieved
	Quality	Good quality customer service  Inquiries received through the Councils' service request system acknowledged within 24 hours	Customers are content with the services offered.  All requests responded to in compliance with Council customer service policy	Customer satisfaction survey  Service request response time	Highly satisfied  90%	No recent survey



Nelson Tasman  
Regional Landfill Business Unit

**Business Plan**  
**2020/2021**



# Nelson Tasman Regional Landfill Business Plan (NTRLBU) Business Plan 2020/21

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Prepared by: Don Clifford Acting General Manager

Approved by: **NTRLBU 13 Dec 2019**

Cover photograph: Toe Embankment York Valley

## Item 6: Nelson Tasman Regional Landfill Business Unit General Manager Update: Attachment 3

### 1. PURPOSE

The purpose of the Nelson Tasman Regional Landfill Business Unit (NTRLBU) Business Plan 2020/21 is to outline management goals and objectives to ensure that there is a sanitary landfill available in the Nelson Tasman region.

### 2. TERMS OF REFERENCE REQUIREMENTS

The Terms of Reference document states that the Nelson Tasman Regional Landfill Business Unit (NTRLBU) Joint committee shall by 31 October each year supply to the councils (Nelson City and Tasman District Councils) a copy of its draft Business Plan for the management of the NTRLBU and the assets for the ensuing year. The final Business Plan must be presented to both councils by 31 May.

The Terms of Reference document was revised February 2019; and shall be reviewed if and when required.

### 3. INTRODUCTION

This Business Plan 2020/21 summarises the projects and initiatives to be implemented during the year. It also outlines the associated funding required.

The Business Plan is aligned with the NTRLBU Strategic Plan and the NTRLBU Landfill Asset Management Plan 2018 (although some budgets have changed). It incorporates the business objectives and performance targets (Section 7), the three-year renewal and upgrade forecasts (Section 9); and the Financial Plan (section 11)

The Joint committee activity schedule and levels of service are appended.

- Appendix A – Joint committee Activity Schedule;
- Appendix B - Targeted levels of service established by the Landfill Asset Management Plan.

### 4. MISSION STATEMENT

The NTRLBU's mission statement is to plan for the future needs of the community in a cost efficient and environmentally sustainable manner in accordance with the objectives of the Nelson Tasman Waste Management and Minimisation Plan.

### 5. STRATEGIC GOALS

The NTRLBU aspires to achieve the following goals:

- Provide sanitary landfill capacity for the needs of the Nelson Tasman region.
- The costs of disposal of residual solid waste are affordable.
- Risks associated with the activity are identified and mitigated to a level agreed with the owners.
- We engage the right people with the right skills and experience.
- The NTRLBU operates sustainably and endeavours to remedy or mitigate any identified adverse environmental, social and cultural impact.
- Greenhouse gas emissions are monitored and managed in a responsible manner
- Good relationships are maintained with all stakeholders.



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- All statutory obligations are met.

The NTRLBU functional activities are managed by the Nelson City Council and therefore the NTRLBU functional activities shall comply with the requirements of the Nelson City Council Health and Safety Policy and fully subscribe to the vision for a Zero Harm Culture.

All strategic goals are important and no one goal will be pursued at the expense of another.

### 6. NTRLBU BACKGROUND

The NTRLBU was established in April 2017 and began operations on 1 July 2017.

The Regional Landfills Asset Management Plan was adopted in June 2018 by the Joint Committee. A draft of the long-term financial plan was adopted on 8 December 2017 and will enable council staff to integrate this into their own long-term plans at their discretion.

The Deed of Agreement determines that the NTRLBU will annually agree on the value to be distributed 50:50 at appropriate intervals to the two councils to fund waste management and minimisation activities; and to recover this amount from landfill charges.

At the end of each financial year the operating surplus/deficit will be shared equally between the two councils and used exclusively for waste management and minimisation initiatives (subject to the NTRLBU retaining up to \$300,000 to manage year-to-year fluctuations).

### 7. BUSINESS OBJECTIVES AND PERFORMANCE MEASURES

The objectives outlined below describe the long term aims of the business unit. Performance is to be reported quarterly to the Joint Committee and annually or six monthly, as appropriate, to the shareholding councils.

Long Term Objectives	Key Performance Measures
<i>Landfill capacity is available to receive solid waste generated within the Nelson Tasman region.</i>	
The development of a new sanitary landfill is agreed on by the time that the estimated remaining useful life of the current active landfill is five years.	1) Reporting the available landfill airspace annually (in terms of years remaining). 2) Adequate planning has been completed and agreed to before the five year wind down period begins.
Levels of service are defined in all contracts and are met.	100% compliance with service level agreements by all contractors.
<i>The costs of disposal to landfill are affordable</i>	
The cost of disposal to landfill is minimised.	That the sum of the landfill surplus/deficit as measured over a five year period does not exceed the value set by the joint committee (the NTRLBU retains up to \$300,000 of surpluses for the purpose of managing year-by-year income fluctuations)

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Long Term Objectives	Key Performance Measures
The economic lives of all assets are optimised.	Three yearly internal audit of asset management practices confirms this.
The available airspace at the landfill is used efficiently.	Airspace consumption of 1.23m <sup>3</sup> per tonne of residual waste received is maintained or improved.
New technology choices are well understood and are proven to be reliable, sustainable and cost effective.	All significant technology choices are supported by cost benefit analysis, independent peer review, energy efficiency analysis, risk analysis and, where appropriate, by other users of those technologies.
<i>Risks associated with the services provided are identified and mitigated to a level agreed with owners.</i>	
Risk management plans include all significant health and safety, environmental, cultural, social, economic and contractual risks.	No event, which impacts on agreed levels of service, occurs that has not been identified in the NTRLBU risk management plans.
Contingency plans adequately address emergency events.	The effectiveness of the Landfill Management Plan is reviewed and confirmed following incidents which require activation of the plan.
<i>We engage the right people, with the right skills and experience.</i>	
Those engaged with the NTRLBU have the right skills, experience and support to perform well.	Annual staff performance reviews include assessment of the skills and experience required in their role in NTRLBU and their development needs are identified and met.  The Joint Committee reviews its performance at least annually.
Operation and maintenance manuals reflect best practice for the activity are followed consistently.	An internal audit every three years confirms this.
<i>NTRLBU operates sustainably and endeavours to remedy or mitigate any identified adverse environmental, social or cultural impact</i>	
NTRLBU minimises adverse environmental, social and cultural impacts where this is economically viable.	Environmental, social and cultural impacts are considered in all decision making.

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<i>Greenhouse gas emissions are monitored and managed in a responsible manner</i>	
The NTRLBU measures the greenhouse gas emissions of landfill activities	<p>The composition of incoming waste is assessed annually, by December 2020.</p> <p>The emissions from the York Valley landfill are assessed and reported annually, by June 2021.</p> <p>The annual emissions from the Eves Valley closed landfill are estimated by June 2021.</p>
The NTRLBU reduces the greenhouse gas emissions rate for landfill activities	<p>A target for emissions per tonne of waste is established by June 2021 and reviewed annually.</p> <p>The NTRLBU will annually consider a Unique Emissions Factor for landfill operations.</p> <p>The NTRLBU will annually assesses the business case for reducing emissions from landfill operations, including the reduction of high emissions waste and the improved capture of landfill gas.</p>
<i>Good relationships are maintained with all stakeholders</i>	
Shareholders are satisfied with the strategic direction and the economic performance of the business unit.	<p>All strategic and business plans are approved by shareholders.</p> <p>Budget projections are met.</p>
Good relationships are maintained with all stakeholders including owners, iwi, customers, contractors, neighbours, and the wider community.	<p>All complaints or objections are addressed promptly.</p> <p>All applications for resource consents are approved.</p> <p>Up to date information on activities and achievements are publicly available.</p>
<i>All statutory obligations are met</i>	
All statutory obligations are identified and met and are included in contracts with suppliers.	100% compliance with all statutory obligations.
All resource consent requirements are met.	100% compliance with all resource consents.

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**8. LANDFILL CHARGES**

It is projected that a balanced budget (no surplus or deficit) will be achieved during the 2020/21 financial year if expenditure is maintained within the projected budget at the proposed landfill charges.

The 2019/2020 charges are shown in [brackets].

The proposed landfill charges per tonne (including GST) are:

	Proposed 2020/2021 charges	2019/2020 charges
Residual waste:	\$171	[\$163]
HAIL > 17,000 tonne:	\$146	[\$138]
HAIL <17,000 tonne:	\$154	[\$148]
HAIL Residential/tested:	\$103	[\$98]
Polystyrene:	\$2180	[\$2,080]

A review of HAIL charges is to be undertaken annually in advance of setting gate fees for the following year.

**9. OPERATIONS & MAINTENANCE BUDGET**

Administration budget: \$165,000

Management budget: \$220,000

The budget includes operation and management discretionary contingencies as follows:

Professional advice: \$25,000 (Joint committee discretion)  
Operations & Maintenance: \$190,000 (General Manager's discretion)

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10. THREE YEAR RENEWAL AND UPGRADE EXPENDITURE FORECAST (\$'000)

Renewal Plan (\$,000)	Projected 2019/20	2020/21	2021/22	2022/23
Piezo monitoring well (Eves)	30	30	30	25
Miscellaneous and Safety (Eves)	30	50	35	
Moveable debris fences (York)	15			
Upgrade vehicle wash (York)	50	75		
Planting (either site)	25	25	25	25
Storm water and Leachate control (mostly York)	240	500	500	100
Planning/investigation/activities for Stage 2 and Stage 3 Resource Consent (Eves Valley)	100			
Emissions Studies and Investigations	10			
Weighbridge Technology upgrades (York)	35	50	50	
Contingency (both sites)	65	65	65	65
<b>Total</b>	<b>600</b>	<b>795</b>	<b>705</b>	<b>215</b>

Following recommendations from the annual monitoring reports, there are several renewal and upgrade items above that were not included in the earlier Asset Management Plan. Therefore, the above table shows increased budgets to cover activities such as studies, design and implementation.

Investigations and studies will result in additional renewal works and design being undertaken in FY2021/22 and FY 2022/23.

A contingency amount of \$65,000 is included in the renewal budget for allocation by the General Manager if required.

11. LONG TERM CAPITAL PROGRAMME

Studies are required to scope all likely future capital works at both the Eves Valley and York Valley sites and will include:

- Stormwater systems

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- Leachate systems and disposal
- Landfill stability
- Emissions assessments

Those studies will inform the long-term capital programme. It is noted that the predicted spend profile will change from that reported in the 2018/19 Business Plan (and the Regional Landfills Asset Management Plan 2018-28).

The main new capital item is the Stage 3 Resource Consent for Eves Valley.

Safety considerations may trigger investigations and study (estimated at \$100,000) for a new access bridge at Eves Valley.

Capital Plan (\$,000)	Projected 2019/20	2020/21	2021/22	2022/23
Planning/investigation/activities for Stage 2 and Stage 3 Resource Consent (Eves Valley)	100	150	200	200
<b>Total</b>	<b>100</b>	<b>150</b>	<b>200</b>	<b>200</b>

### 12. EMISSIONS

Nelson City Council and Tasman District Council are both considering their Emissions “footprint”. As the NTRLBU assets are jointly owned by the councils, then the Business Unit will also need to assess its emissions. A notional allowance of \$100,000 per year has been added to the Business Plan for this activity.

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**13. FINANCIAL PLAN**

Nelson Tasman Regional Landfill Business Unit

Budget Summary for 2020 to 2023

	Budget	Projection	Budget	Budget	Budget
	2019/2020	2019/2020	2020/2021	2021/2022	2022/2023
	\$000	\$000	\$000	\$000	\$000
<b>Income</b>					
Landfill income	9,802	9,802	10,405	11,076	11,755
Interest	83	83	47	48	50
Other Recoveries	51	51	50	50	50
<b>Total Income</b>	<b>9,936</b>	<b>9936</b>	<b>10,502</b>	<b>11,174</b>	<b>11,855</b>
<b>Expenditure</b>					
Operations and Maintenance	1,905	1905	1990	2023	2,061
Management			220	220	220
Administration			165	165	165
Carbon Studies (UEF)			100	100	100
Emissions Trading Scheme	2,023	2023	2,083	2,650	3,229
Waste Levy (MfE)	680	680	700	707	714
After care (adjustment)	290	290	86	83	79
Local Disposal Levy	4,800	4800	4,800	4,800	4,800
Interest	0	0	0	0	1
Insurance	5	5	5	5	5
Depreciation	233	233	274	341	401
<b>Total Operating Cost</b>	<b>9,936</b>	<b>9936</b>	<b>10,423</b>	<b>11,094</b>	<b>11,775</b>
<b>Surplus/Deficit</b>	<b>0</b>	<b>0</b>	<b>79</b>	<b>80</b>	<b>80</b>
Budgeted Volumes	<b>68,000</b>	<b>68000</b>	<b>70,000</b>	<b>70,700</b>	<b>71,407</b>

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**14. BUSINESS IMPROVEMENT PLAN**

This section describes initiatives to improve the efficiency and effectiveness of the Business Unit and is based on the Nelson Tasman Regional Landfill Business Unit Strategic Plan, the 2018 NTRLBU Asset Management Plan and inputs from stakeholders.

<b>IP</b>	<b>Description</b>	<b>Resource Requirements</b>	<b>Progress</b>
1	Develop long term strategy for storm water management	Joint committee, Internal and consultant	Consultant engaged
2	Review landfill gas harvesting	Internal and consultant	Updated application for UEF to be submitted by January 2021
3	Emissions studies and investigations	Tasman District Council, Nelson City Council, Consultants and internal	Emissions baseline to be established by June 2021



**APPENDIX A: Nelson Tasman Regional Landfill Business Unit – Joint Committee Activity Schedule 2020-2021**

<b>Date</b>	<b>Activity</b>	<b>Papers required</b>
By 31 August 2020	Review draft Annual Report and Financial Statement	Draft annual report and financial statement
By 15 September 2020	Deliver draft Annual Report to both councils	
By 31 October 2020	Review joint committee planning/meeting timetable Adopt draft business plan for presentation to Tasman District Council and Nelson City Council Review and update Interests Register	Planning/meeting timetable Draft Business Plan Interests Register
By 31 May 2021	Present Annual Report and Business Plan to Tasman District Council and Nelson City Council	Annual Report and Business Plan
By 30 June 2021	Review joint committee performance Receive report on Contingency Plan review by customer representatives Review customer satisfaction survey results Annual review of Strategic Plan Review Audit Management Report	Checklist for joint committee effectiveness Report on Contingency Plan review by customer representatives Customer survey report Strategic plan Audit Management Report

APPENDIX B: Landfill Levels of Service Targets

Related Community Outcomes	Strategic Themes	Levels Of Service	Performance Indicators	Method of Measurement	Target
<b>SOLID WASTE DISPOSAL - NTRLBU will provide a landfill for waste disposal</b>					
Health Environment Education	Impacts	All landfill activities, facilities and services comply with resource consent conditions, site management plans and appropriate legislative requirements.	Compliance with resource consents	Number of non-compliances	Nil
		Adequate landfill airspace available to ensure future sustainability of solid waste disposal.	Available landfill space that has been consented	Years of available consented landfill space	5 Years
	Costs	Cost effective and sustainable landfill services available.	No rates required to support landfill activities	User Pays %	100%
		NTRLBU operational contracts require minimum standards of waste compaction to maximise landfill capacity. Landfills are open at convenient times.	Waste compaction density exceeds minimum target level. Hours and days that the landfill is available for disposal	Surveyed compaction Opening hours specified	> 0.8t/m <sup>3</sup> 100%
	Demand	Landfill activity provided in a safe manner and pose no health and safety risks to nearby	No reported incidences of injury or	Complaints and	Nil

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Related Community Outcomes	Strategic Themes	Levels Of Service	Performance Indicators	Method of Measurement	Target
	Safety	residents.	illness attributable to use of facilities.	incident forms.	
	Quality	Good quality customer service  Inquiries received through the Councils' service request system acknowledged within 24 hours	Customers are content with the services offered.  All requests responded to in compliance with Council customer service policy	Customer satisfaction survey  Service request response time	Highly satisfied  90%