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**MINUTES**  
of the  
**NELSON-TASMAN REGIONAL LANDFILL BUSINESS**  
**UNIT MEETING**

held  
**9.30 am, Friday, 8 March 2019**  
at  
**Ruma Marama, Nelson City Council**  
**110 Trafalgar Street, Nelson**

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**Present:** Councillors S Walker (Chair) and I Barker, Nelson City Council  
Councillors S G Bryant and C M Maling, Tasman District Council

**In Attendance:** Acting General Manager (D Clifford)  
Infrastructure Manager (A Louverdis) and Management Accountant  
(A Bishop), Nelson City Council  
Senior Executive Assistant (R L Scherer), Team Leader – Solid Waste  
and Stormwater (D Stephenson), Tasman District Council

**1 OPENING, WELCOME**

The Chairman opened the meeting at 9.35 am and welcomed everyone.

**2 APOLOGIES AND LEAVE OF ABSENCE**

**Recommendation**

**There were no apologies.**

**3 PUBLIC FORUM**

Nil

**4 DECLARATIONS OF INTEREST**

Nil

**5 CONFIRMATION OF MINUTES**

**Moved Cr Maling/Cr Bryant  
RLBU19-03-01**

**That the minutes of the Nelson-Tasman Regional Landfill Business Unit meeting held on Friday, 7 December 2018, be confirmed as a true and correct record of the meeting.**

**CARRIED**

**6 PRESENTATIONS**

Nil

**7 REPORTS**

**7.1 General Manager's Update**

Acting General Manager, Don Clifford spoke to the report contained in the agenda which was taken as read.

Mr Clifford noted that more waste volumes than projected had been received at the York Valley Landfill which was associated with higher costs to operate the facility. He also noted that with increased volumes of waste, the Emissions Trading Scheme (ETS) and waste levy costs also increase.

Mr Clifford spoke about the significant costs for after-care provision that had not been considered when the business unit budgets were set.

Management Accountant, Andrew Bishop noted that the ETS from 1 January 2019 is 1:1 liability on emissions; this was previously 2:1. This has meant an increase in costs for ETS of 15% resulting in a net loss of \$70,000 for January 2019.

The meeting discussed the ETS increases which will be reflected in a significant increase in fees and charges for the business unit for the coming 2019-2020 financial year.

Cr Maling suggested that staff need to communicate with the customer group and the public as soon as possible to ensure they understand the drivers for the price increases which are outside the business unit's control.

In response to a question regarding opportunities to make savings across the business, Mr Clifford noted that the previous landfill operations management contract was, in effect, subsidising rubbish to landfill. He also noted that with the new contract, there is also new machinery which is more expensive to operate and maintain.

The meeting discussed the local waste levy which is paid to Nelson City Council and Tasman District Council. Mr Bishop noted that Nelson City Council use the levy to fund waste activities including the transfer station, kerbside recycling and the waste minimisation fund. Cr Barker noted his objection for any funding being provided for recycling and asked staff to consider other funding options. He suggested that the recycling issue needs to be investigated as he believes the current process is not working.

Infrastructure Manager, Alec Louverdis suggested that how each council uses their share of the local levy funding should be discussed by the respective councils.

The committee discussed the distribution and use of the national waste disposal levy. Team Leader, Solid Waste and Stormwater Mr Stephenson explained that 50% of the

national levy is paid to local government and 50% to a contestable fund. He noted that the contestable fund had been oversubscribed over the past year. In response to a question regarding projects funded by the Ministry for the Environment’s Waste Minimisation Fund, it was agreed that the committee should move into confidential session.

**Moved Cr Maling/Walker**

**RLBU19-03-02 That the public be excluded from the following part(s) of the proceedings of this meeting.**

**The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.**

**This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:**

**Ministry for the Environment Waste Minimisation Fund – in order to discuss potential Waste Minimisation funding that could be available to both councils, the public were excluded from the meeting for this item.**

**The text of these resolutions is made available to the public who are present at the meeting and form part of the minutes of the meeting.**

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

**CARRIED**

*The meeting resumed in open session at 10.25 am.*

*General Manager’s Update report continued*

Mr Clifford noted that the new operations and maintenance contract was going well and that the contractor’s staff had been very proactive. He said that the new compactor had been ordered and is expected to arrive on site in July 2019. The contractor also has two new excavators on site.

In response to a question, Mr Bishop advised the committee that the business unit operational costs would also increase in the coming financial year due to post closure costs which could not be offset by income. He noted that the business unit will need to provide for these costs in future years. He said that these provisions had not been budgeted for since 2015.

Mr Stephenson also noted that the budgets will be affected by commercial waste where both volumes and charges should decrease over time.

In summary, Mr Bishop said that both councils have investigated the business unit's financial position to ensure that all costs are included in the financial accounts.

In response to a question regarding the increase in debtors in December 2018, Mr Bishop explained that this was the result of a timing issue and will be reflected in the January 2019 financial report.

In response to a question about the future of the York Valley landfill, Mr Louverdis suggested that the current location was affected by its closeness to private residences in Nelson City and the resulting traffic impacts. He suggested that York Valley may not be the ideal location for a future landfill and all options will be considered when a future location is assessed.

Mr Clifford referred to the monitoring reports presented for both Eves Valley and York Valley landfills. He noted that two issues had been identified in relation to stormwater at Eves Valley and the potential effects of a heavy rain event on the sediment ponds at York Valley. Mr Clifford said that staff are working with the consultants to investigate options to remedy these issues.

Mr Clifford confirmed that he is planning for a separate workshop so that the committee can be well informed on some of the issues that the business unit needs to face in the coming months. These issues included future physical site works including solutions to the two issues noted above, risk and insurance. The committee asked Mrs Scherer to confirm a date for the half-day workshop.

Mr Clifford noted that Tasman District Council had formally adopted the Regional Landfill Business Unit's Asset Management Plan on 28 February 2019.

Mr Clifford referred to the draft Business Plan which was included in his activity report. He noted that the final Business Plan needs to be presented to both councils before 31 May 2019. Mr Clifford advised that the proposed landfill charges referred to in the draft Business Plan are GST inclusive, not exclusive as noted in the report. He also said that he would update the wording in the mission statement included in the draft Business Plan.

In response to a question about the contingency sums included in the operations and maintenance budget in the draft Business Plan, Mr Clifford agreed that he would clarify by adding these contingency sums to the relevant tables in the Business Plan.

Mr Bishop explained the current pricing regime for ETS units, how staff are managing those costs on behalf of the business and how they will affect the budgets over the next six months.

*The meeting adjourned for morning tea at 10.50 am and resumed at 11.03 am.*

In response to a question, Mr Louverdis noted that the increase in staff and administration costs in the financial report was due to the appointment of an external consultant as Acting General Manager. He said both councils intend to continue with the current Acting General Manager until June 2019 before determining the next steps in appointing a manager for the business unit.

Mr Clifford noted that the three-year renewal and upgrade expenditure programme included a sum for the resource consent for Stage 3 at Eves Valley. He said that the current budgeted sum is unlikely be enough to meet the costs and the business unit will need to consider alternative options.

Before the resolution was moved, Cr Barker asked that the minutes record his concerns about the proposed increase in fees and charges arising from the \$2.4 million levy paid to each council and its use by the councils to recover recycling.

**Moved Cr Maling/Cr Bryant**

**RLBU19-03-20**

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

- 1. receives the Nelson Tasman Regional Landfill Business Unit General Manager's Report, RLBU19-03-01; and**
- 2. approves the Nelson Tasman Regional Landfill Business Unit draft Business Plan 2019/2020; and**
- 3. approves the Nelson Tasman Regional Landfill Business Unit's proposed landfill charges for 2019/2020.**

**CARRIED**

**7.2 Nelson Tasman Regional Landfill Business Unit - Terms of Reference**

Mr Clifford presented the report contained in the agenda which was taken as read. He noted that the recommendation to remove the requirement for a separate audit of the annual report will save money and will be a lot more efficient. He noted that there is no legal requirement for the separate audit.

**Moved Cr Barker/Cr Maling**

**RLBU19-03-21**

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

- 1. receives the Nelson Tasman Regional Landfill Business Unit - Terms of Reference report, RLBU19-03-02; and**
- 2. recommends to Nelson City Council and Tasman District Council that the proposed amendment removing the requirement for a separate audit of the annual report is approved; and**

3. **notes the changes to the Nelson Tasman Regional Landfill Business Unit – Terms of reference regarding the appointment of members to the committee.**

**CARRIED**

### **General Business**

Cr Maling noted that the Chief Executives of both Tasman District Council and Nelson City Council were looking at nominations for an iwi representative on the Regional Landfill Business Unit committee.

The proposed appointment of an independent representative on the Regional Landfill Business Unit committee was also discussed and the Chairman asked that this item be included on the next committee meeting agenda.

### **8 CONFIDENTIAL SESSION**

Nil

The meeting concluded at 11.40 am.

Date Confirmed:

Chair: