

Minutes of a meeting of the Nelson City Council to hear submissions to the draft Regional Landfill Proposal

Held in the Council Chamber, Civic House, Trafalgar Street, Nelson

On Tuesday 2 September 2014, commencing at 9.04am

Present: Her Worship the Mayor (R Reese), Councillors L Acland, I Barker, R Copeland, E Davy, K Fulton, M Lawrey, G Noonan, T Skinner and M Ward

In Attendance: Chief Executive (C Hadley), Group Manager Infrastructure (A Louverdis), Group Manager Strategy and Environment (C Barton), Manager Administration (P Langley), Senior Asset Engineer – Solid Waste (J Thiart), and Administration Adviser (L Laird)

Apologies: Councillors B McGurk, P Matheson and P Rainey

1. Apologies

Resolved

THAT apologies be received and accepted from Councillors McGurk, Matheson and Rainey.

Her Worship the Mayor/Davy

Carried

2. Confirmation of Order of Business

There were no changes to the order of business.

3. Interests

No updates to the Interests Register were provided, and no conflicts with items on the agenda were declared.

4. Submissions

4.1 Tasman District Council

Tim King (Deputy Mayor, Tasman District Council), David Stephenson (Utilities Network Engineer - Solid Waste, Tasman District Council) and

Mr Lindsay McKenzie (Chief Executive, Tasman District Council) presented the submission on behalf of Tasman District Council (TDC).

Mr King highlighted the key points of the submission in favour of the Regional Landfill Proposal (the Proposal). Mr King said TDC had been working with Nelson City Council (NCC) on the Joint Waste Minimisation Management Plan (JWMMP) for some time, and emphasised that a joint landfill helped to achieve the goals of this Plan. He said there were many non-financial benefits of a joint landfill, particularly waste minimisation.

Mr King spoke about the financial impacts on NCC from the Proposal, including that it would reduce the capital expenditure associated with the York Valley asset, and that there would be no impact on ratepayers due to the increased revenue.

It was noted through the submission that TDC chose not to engage in a separate special consultative procedure on the Proposal, as it had been discussed in its draft Annual Plan and attracted only three submissions.

Mr King noted the issues NCC would need to consider in relation to the Proposal, including noise and vibration, congestion, traffic safety and other such associated issues. Mr King said he was confident that NCC management would be able to alleviate such issues with the increased quality of and revenue from the joint facility.

In summary, Mr King said it was the opinion of TDC that a joint facility would benefit the region as a whole, and each Council in different ways.

In response to questions, Mr King said that the Eves Valley landfill currently received waste from the entire Tasman district, to encourage a co-ordinated approach to waste management.

Mr King spoke about waste minimisation, and said this was a priority for TDC. Mr King further added that recycling was encouraged throughout the district with the exception of extreme rural areas, and that much green waste was diverted from landfill. In response to waste volumes in the Tasman district, the submitter said that one-off events, like the April 2013 floods drove up waste volumes, yet domestic waste had remained at a constant level in recent times, while commercial waste volumes had increased.

Mr King said managing two competing landfills in the region was creating unnecessary competition and was creating variations to the pricing offered at each landfill. He said, in the opinion of TDC, this was an ineffective use of rates.

In response to questions about submission number 3 (Peter Wilks), Mr King said it would be possible to accommodate the submitters concern

within the management plan for the Eves Valley landfill, should the current proposal proceed.

Questions were asked in relation to the waste received at Eves Valley landfill from Buller District Council (BDC). Mr McKenzie said TDC had negotiated a fixed commercial rate with BDC to receive its waste.

Mr McKenzie responded to submissions that noted a loss in competition should the Proposal proceed, and said two Councils could not co-ordinate charges whilst maintaining competition, as these two were mutually exclusive. Mr King re-iterated that, in the opinion of TDC, competition was not an efficient use of rates.

In response to further submissions, Mr McKenzie added that NCC would recoup a commercial rate from TDC through the access charges, which would be set at a rate that included the capital costs incurred by NCC.

Further to the response provided in relation to waste received from BDC, Mr McKenzie confirmed that no Cultural Impact Assessment had been done. However, he said that TDC was committed to completing a Cultural Impact Assessment in relation to any application for further resource consents for Eves Valley going forward.

Mr McKenzie said the shared services agreement was relevant to these hearings, and that in his opinion, the shared services agreement was relevant to both governance and management decisions in relation to the Proposal.

In response to a question, Mr King said that, if the Proposal were not to proceed, TDC would look to develop stage 3 at Eves Valley and seek additional capital investment to achieve this. He added that this would be sub-optimal for regional outcomes and reinforced the concept from the Deloitte report that two landfills operating in competition was the least desired outcome.

4.2 Gibbons Holdings Ltd

Scott Gibbons, accompanied by Mr Nigel McFadden and Louise Devine, presented the submission on behalf of Gibbons Holdings. Mr Gibbons tabled additional documents (A1244764) and spoke to them.

Mr Gibbons cited Council's responsibilities under the Local Government Act 2002 section 14 in relation to financial prudence and stewardship (section 14(1)(f) and (g)). Mr Gibbons said it was the opinion of Gibbons Holdings that the current Proposal was not within the requirements of these provisions.

In relation to consultation, Mr Gibbons said he did not consider the process to be within the bounds required by the LGA. In his opinion, he said, the Nelson community had not been adequately informed and consulted on the issue. Mr Gibbons further added that in relation to the

information about the Proposal, many aspects were not covered, including the resource consent conditions and environmental impacts.

Mr Gibbons spoke about the potential increase of leachate under the Proposal and the issues associated with this increased volume being piped into the sewerage system, and emphasised pictures in the tabled document. Mr Gibbons queried whether this impact on current infrastructure had been taken into account, and whether a possible upgrade had been accounted for.

Mr Gibbons noted that a joint landfill would have impacts on the Bishopdale roading infrastructure, particularly Market Road, and that this had not been covered in the Proposal. He highlighted other gaps in the information provided in the Proposal including whether noise and odour had been considered, and what type of waste would be received from TDC. Mr Gibbons further added that waste volumes from TDC were increasing, whereas waste volumes from NCC were decreasing.

Mr Gibbons then addressed the financial concerns relating to the Proposal from Gibbons Holdings. He said that, in his opinion, the York Valley landfill was a significant asset for Nelson residents and that, should the facility become a joint asset, the life of the landfill would be halved. He added that, due to all of the impacts and costs associated with a joint landfill, NCC should require TDC to pay capital costs relating to the decreased capital value of the asset. Mr Gibbons contended it was not financially prudent to not recover a contribution towards the decreased capital value of the asset and that the Proposal should encompass a more robust business-led structure benefitting Nelson residents.

In relation to his financial concerns, the submitter requested that the Council clarify the value of York Valley landfill, in order for the public to understand the costs associated with transferring the asset to a joint facility.

In response to a question, Mr Gibbons confirmed that Gibbons Holdings owned land neighbouring York Valley, yet his concerns were wider than his relationship to the land in the area and centred around the business structure that was adopted should the Proposal proceed. Mr Gibbons re-iterated that it was the preference of Gibbons Holdings that, should NCC allow the wider region access to York Valley landfill, that careful consideration as to the economic benefits for each party should be made. He said the lack of capital outlay from TDC was his biggest concern.

In response to questions about waste minimisation, Mr Gibbons said it was optimistic to think that waste would reduce through a joint landfill, as current trends indicated an upward trend.

In response to questions about statements in the written submission (paragraph 8, agenda page 18), Mr Gibbons said, in his opinion, competition between the two current landfills was healthy, and would

be his preferred model. It was recognised the co-ordinating prices between the two landfills and creating competition on prices was contradictory.

Mr Gibbons added that the Proposal did not encompass an accurate reflection of the impacts, as no value had been attributed to the asset, and therefore no return on investment could be calculated. He said this return on investment should come in the form of a capital contribution from TDC to reflect what Nelson residents had paid to develop the asset. He said ensuring this fairness for Nelson residents was required under the LGA.

In response to questions about promoting regional outcomes, Mr Gibbons said if NCC was to require a capital contribution, resulting in TDC 'walking away' from the joint landfill, in his opinion that was prudent and an appropriate outcome. Mr Gibbons added that, in his opinion, charging a commercial rate to TDC did not qualify as a capital contribution and was instead income.

In response to comments made in the written submission (paragraph 3(vii) on page 17 of the agenda), Mr Gibbons said TDC effectively created a monopoly by reserving additional land beside Eves Valley landfill for future use, once York Valley landfill had reached capacity.

In response to a question about increased loads on the infrastructure system resulting from a joint landfill, it was the opinion of the submitter that the sewerage system would experience greater loads in the form of leachate escaping from the increased waste volumes, particularly over periods of heavy rain.

Mr Gibbons said the current debt level of TDC was not the concern of Gibbons Holdings, and should not form part of a decision to develop a joint landfill. He re-iterated that the most important consideration, in his opinion, was that a prudent return on investment was received, and that the correct process in making the decision was followed.

In relation to questions about the process and the statement made in the written submission, (paragraph 18, agenda page 21) Mr Nigel McFadden said there was concern that the information was not sufficiently widely distributed in order to comply with the LGA requirements. He said the result of this was that the community was not appropriately informed of the upcoming decision in relation to a joint landfill with TDC, and the associated impacts on Nelson residents.

Given the significance of the issue, Mr McFadden said the Statement of Proposal should have contained more detailed information about the proposal, particularly the value of the asset. Mr McFadden questioned the dates that advertised the Statement of Proposal and whether they were compliant with legislation.

Attendance: the meeting adjourned for morning tea from 10.50am to 11.00am.

Councillors outlined further information they sought in relation to the Proposal to be considered at the upcoming deliberations meeting to the draft Regional Landfill Proposal:

- Information about whether other business models raised in submission 6 were considered, particularly in relation to the establishment of a company, and if so what assessment was made.
- Clarification from officers as to the impacts on existing infrastructure with the increase load to York Valley landfill under the Proposal.
- Clarification about the resource consent conditions that currently apply to York Valley landfill, and if the Proposal went through whether the landfill would still be compliant.
- Whether legal advice should be sought in relation to the special consultative procedure undertaken by NCC, in relation to the requirements under the LGA.
- Confirmation on the actual value of the asset.
- Clarification as to what was the cause of the 'bubbling' effect in the toilet referred to in submission 6 from Gibbons Holdings.
- Clarification as to the extent of the traffic problems and safety concerns at the Boundary Road/Bishopdale intersection.
- Information on the volume of heavy trucks using Market Road and the origin of this traffic, and what options may exist for slowing these trucks.
- Information about what waste minimisation options were encouraged by a joint regional landfill.
- Information about what current capacity existed to deal with additional leachate should the Proposal proceed, and whether this had been considered in the current Proposal.
- Information about the leachate process, including how it was created, its concentrations, how it entered the sewerage system and whether NCC sewerage treatment plants had the capacity to deal with any increase.
- Information as to whether consideration of the value of the asset and the return on investment had been incorporated in the Memorandum of Understanding.
- A brief summary of the rationale behind option 1 and 2 presented in the Statement of Proposal.

- Information about the waste type anticipated from TDC, and whether this fitted with NCC requirements relating to the resource consent.
- Confirmation about truck movements on Market Road, and whether the size of truck varied (weight and size).
- Confirmation about the Cultural Impact Assessment relating to waste from BDC, if this was a requirement for the Proposal to proceed, and detail about the additional costs associated with this.
- Information about the capital investment model of the Proposal, and how TDC's contribution to this has been incorporated into the model.
- Information about the procedural steps to be taken from this point, and a timeline to proceed on this basis.
- Confirmation about whether there had been a full analysis of the costs and risks, particularly about transport, leachate and infrastructure issues.
- Information in relation to understanding volumes associated with potential waste volumes, and what consideration had been given to growth projections for both the Tasman and Nelson regions, including provision for one-off events like flooding.
- Information and commentary on TDC's recycling, greenwaste and general waste minimisation policies to gauge commitment to reduce waste.
- Information in relation to amenity issues in the area, for example odour and dust.

There being no further business the meeting ended at 11.21am.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date