

OPEN

MINUTE ITEM

ATTACHMENTS

Ordinary meeting of the
Nelson Tasman Regional Landfill Business Unit

Friday 13 December 2019
Commencing at 9.30a.m.
Council Chamber

Tasman District Council
189 Queen Street, Richmond

TABLE OF CONTENTS

PAGE

6	Nelson Tasman Regional Landfill Business Unit General Manager Update	
A.	A2320013 - Tabled document - Nelson Tasman Regional Landfill Business Unit Draft Business Plan 2020/21 Revision 4	2

Sensitivity: General



Nelson Tasman Regional Landfill Business Unit

Business Plan 2020/2021



Sensitivity: General

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

Contents

1. PURPOSE	3
2. TERMS OF REFERENCE REQUIREMENTS	3
3. INTRODUCTION	3
4. MISSION STATEMENT	3
5. STRATEGIC GOALS	3
6. NTRLBU BACKGROUND	4
7. BUSINESS OBJECTIVES AND PERFORMANCE MEASURES	4
8. LANDFILL CHARGES	7
9. OPERATIONS & MAINTENANCE BUDGET	7
10. THREE YEAR RENEWAL AND UPGRADE EXPENDITURE FORECAST (\$'000)	8
11. LONG TERM CAPITAL PROGRAMME	8
12. EMISSIONS	9
13. FINANCIAL PLAN	10
14. BUSINESS IMPROVEMENT PLAN	11
APPENDIX A: Nelson Tasman Regional Landfill Business Unit – Joint Committee Activity Schedule 2020-2021	12
APPENDIX B: Landfill Levels of Service Targets	13

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Approved by: NTRLBU 13 Dec 2019

Cover photograph: Toe Embankment York Valley

Item 6: Nelson Tasman Regional Landfill Business Unit General Manager Update: Attachment 1

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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 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.

Item 6: Nelson Tasman Regional Landfill Business Unit General Manager Update: Attachment 1

Sensitivity: General

- 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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Sensitivity: General

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 ³ 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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Sensitivity: General

<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 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.

Item 6: Nelson Tasman Regional Landfill Business Unit General Manager Update: Attachment 1

Sensitivity: General

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)

Item 6: Nelson Tasman Regional Landfill Business Unit General Manager Update: Attachment 1

Sensitivity: General

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
Total	600	795	705	215

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

Item 6: Nelson Tasman Regional Landfill Business Unit General Manager Update: Attachment 1

Sensitivity: General

- 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
Total	100	150	200	200

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.

Item 6: Nelson Tasman Regional Landfill Business Unit General Manager Update:
Attachment 1

Sensitivity: General

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
Income					
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
Total Income	9,936	9936	10,502	11,174	11,855
Expenditure					
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
Total Operating Cost	9,936	9936	10,423	11,094	11,775
Surplus/Deficit	0	0	79	80	80
Budgeted Volumes	68,000	68000	70,000	70,700	71,407

Item 6: Nelson Tasman Regional Landfill Business Unit General Manager Update: Attachment 1

Sensitivity: General

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 2018 NTRLBU Asset Management Plan and inputs from stakeholders.

IP	Description	Resource Requirements	Progress
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

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

Date	Activity	Papers required
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 Review Audit Management Report	Checklist for joint committee effectiveness Report on Contingency Plan review by customer representatives Customer survey report Audit Management Report

Sensitivity: General

APPENDIX B: Landfill Levels of Service Targets

Related Community Outcomes	Strategic Themes	Levels Of Service	Performance Indicators	Method of Measurement	Target
SOLID WASTE DISPOSAL - NTRLBU will provide a landfill for waste disposal					
Health Environment Education	Impacts	All landfill activities, facilities and services comply with resource consent conditions, site management plans and appropriate legislative requirements. Adequate landfill airspace available to ensure future sustainability of solid waste disposal.	Compliance with resource consents Available landfill space that has been consented Available landfill space that has been developed	Number of non-compliances Years of available consented landfill space Years of available developed landfill space	Nil 5 Years 2 Years
	Costs	Cost effective and sustainable landfill services available.	No rates required to support landfill activities	User Pays %	100%
	Demand	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 ³ 100%
	Health and	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

Sensitivity: General

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	Customers are content with the services offered.	Customer satisfaction survey	Highly satisfied
		Inquiries received through the Councils' service request system acknowledged within 24 hours	All requests responded to in compliance with Council customer service policy	Service request response time	90%