

# **OPEN**

# **MINUTE ITEM**

# **ATTACHMENTS**

**Ordinary meeting of the**  
**Nelson Tasman Regional Landfill Business Unit**  
***Te Rōpū ā-Rohe Ruapara, Whakatū / Te Tai o Aorere***

**Friday 18 August 2023**  
**Commencing at 10.00a.m.**  
**Council Chamber**

**Floor 2A, Civic House**  
**110 Trafalgar Street, Nelson**

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**7 Nelson Tasman Regional Landfill Business Unit Annual Report  
2022/2023**

- A. 1982984479-6500 - Nelson Tasman Regional Landfill Business Unit  
18Aug2023 updated Annual Report 20222023

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



**Nelson Tasman Regional Landfill Business Unit**

**18 August 2023**

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<b>Report Title:</b>	<b>Nelson Tasman Regional Landfill Business Unit General Manager Update report</b>
<b>Report Author:</b>	<b>Nathan Clarke - General Manager Regional Sewerage and Landfill</b>
<b>Report Authoriser:</b>	<b>Alec Louverdis - Group Manager Infrastructure</b>
<b>Report Number:</b>	<b>R27855</b>

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**1. Purpose of Report**

- 1.1 This report is an update by the General Manager (GM) on activities to 30 June 2023 by the Nelson Tasman Regional Landfill Business Unit (NTRLBU).

**2. Recommendation**

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

- 1. Receives the report Nelson Tasman Regional Landfill Business Unit General Manager Update report (R27855).***

**3. Background**

- 3.1 Operations have remained challenging over the last 3 months, with a number of ongoing incidents.
- 3.2 During May significant rain caused damage to construction projects in progress.
- 3.3 Ongoing focus is being placed on safety management within the landfill with several safety actions implemented, including the new reverse warning systems on both landfill compactors.
- 3.4 A leadership group has been meeting monthly (including the Group Managers of Nelson City Council (NCC) and Tasman District Council

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

(TDC) to ensure that focus is maintained on the safety requirements on the site. This will remain in place, albeit with a reduced frequency moving forward.

- 3.5 Compaction performance at the landfill has improved, with the contractor coming close to the contractual target compaction rate, albeit that our target is lower than that is suggested by other landfill managers the General Manager (GM) has spoken to.
- 3.6 The upper buttress is completed and hydroseeding has been completed. The stormwater swale is complete.
- 3.7 The new York Valley access road (up gully 2) is nearing completion. A significant rainfall event during May caused significant damage to the new road, and this was repaired. The damage resulted in additional cost. As a result of the damage the drainage swales were upgraded, and additional rock lining was implemented. The chip sealing was unable to be completed during the last financial year due to the weather getting too cold and rainfall delaying construction.
- 3.8 The Eves Valley weighbridge has been installed and the upgrades to the access way have been completed, however the completion was delayed by rainfall, and it was recommended that chip sealing of the access road be delayed until the weather warms up in September 2023.
- 3.9 The NTRLBU finances show a surplus of **\$719,513,000** for the full 2022/23 financial year to 30 June 2023. This is due to the lower than expected Unique Emission Factor (UEF) and includes a significant amount of additional operational expenditure associated with airspace excavation and borrow pit development works.
- 3.10 The NTRLBU position with Emission Trading Scheme (ETS) remains similar to the last report, however due to uncertainty in the carbon market the NZ ETS units' price fell significantly but has since rebounded. The current (mid-July) ETS price is currently around \$65 (*CommTrade website 28 July 2023*)
- 3.11 The NTRLBU average unit cost is \$43.50, and the ETS price fell to \$41 at the end of June 2023. The NTRLBU considered whether it should write down the value of the units for the 2022/2023 financial year, however the price quickly rebounded to above the average unit cost and in discussion with the Councils auditors it was considered unnecessary to do this.

#### **4. Health and Safety Environment**

- 4.1 Several incidents occurred at the landfill during the period to 30 June 2023. These incidents are outlined in the tables below:



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29/03/2023 9:30 AM	EPP - While dumping tree material a worker has not swung the tail gate which cause the hinge on top of the tail gate to snap
13/04/2023 6:40 AM	FAI - The arm control gas ram that holds up the control fell and caused the arm to slam down on a workers arm causing a large graze
17/04/2023 12:28 PM	EPP - Edridge subcontractor working for NTRLBU have hit a rodding eye when building a ramp down into the southeast corner of York Valley Landfill resulting in landfill gases being exposed
02/05/2023 12:00 AM	NM - Contractor removing gas well on landfill without gas detection in place
02/05/2023 12:00 AM	NM - Texco truck was tipping off next to a FH truck and trailer while at full hoist and troubleshooting a hung up load. Texco vehicle was within the exclusion zone.
10/05/2023 12:32 PM	EPP - A worker filled a container that was used for petrol with Ad Blue, mixing the two substances. Another worker used the mixture which then caused some damage to the terrat cat seals
08/06/2023 1:42 PM	PDR - A worker pulled their calf muscle when working on the western gas ring main which involved working on a steep slope
19/06/2023 10:38 AM	NM - A small fire ignited on sawdust from the bird scarer
19/06/2023 1:05 PM	NM - Waste Management truck driver failed to stop at wheel stop causing the concrete wheel stop to be push in tip head
19/06/2023 1:20 PM	NM - A small fire broke out due to a flare. Fire was put out by extinguisher before material was removed by digger and area caped with clay
29/06/2023 9:50 AM	NM - A sub contractor has entered the exclusion zone in a freshly dug extendable well to retrieve their cellphone exposing them self to potential collapse of unstable landfill material and landfill gases

- 4.2 During 2023 a significant effort has gone into improving and updating the safe safety documentation and procedures. A gas works permit system has been implemented.
- 4.3 Safety training has been implemented to all staff on the correct use of gas safety monitoring equipment and NTRLBU has purchased gas safety monitors for the site.
- 4.4 All contractor operations staff have had a refresher course on recognizing Asbestos.
- 4.5 A gas safety equipment trailer has been purchased. This trailer is now onsite and includes equipment for facilitating quick installation of the gas safety setup for any required gas works.
- 4.6 NTRLBU staff have undergone refresher courses for confined space and working at heights training.
- 4.7 A price has been received (and is being reviewed by NTRLBU) for the installation of the temporary landfill waste transfer facility to eliminate the vehicle on vehicle risks at the landfill. This will increase the operational costs but will significantly improve the safety and the landfill customer experience.

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**5. NTRLBU Activities**

- 5.1 Workload remains high for NTRLBU staff. The request for additional staff has been approved by both the NCC and TDC CEO's contingent on the requirement for the consultancy costs at the landfill (and wastewater facility) being reduced by \$200,000 to cover the costs for the additional roles. The GM is in the process of refining the role descriptions for the roles.
- 5.2 Progress on projects has been very good over this construction season despite rain, with the bulk of the bulk of the CAPEX work scheduled for the 2022/2023 financial year completed. NTRLBU spent ~\$8.6 million of its ~\$9.2 million Capex budget, which is a significant improvement on previous years.
- 5.3 Two projects have had to be curtailed until the weather warms up in the new financial year (estimated to be September 2023).
- 5.4 In addition to the 2022/23 projects in construction, NTRLBU is working with consultants and contractors to finalised designs and procurement is underway for the 2023/24 construction season.
- 5.5 Additional work has been required to prepare the Draft 2024 – 2033 Activity Management plan for the NTRLBU.
- 5.6 The principal projects for the 2023/24 construction season are the lower buttress and leachate system implementation at York Valley, the HAIL management and disposal facility development for the Eves Valley landfill and the gas reuse system development and installation for the Eves Valley Landfill.
- 5.7 Tenders for the York Valley Landfill Lower buttress project closed in July 2023, and NTRLBU received three tenders. Approval to award is covered in separate report on this meeting agenda. Construction for the project is programmed to start on 5 September 2023.
- 5.8 Enabling works is currently being undertaken to streamline the lower buttress construction, including removal of vegetation, and relocation of the gas, sewer and electrical services.

**6. Deed of Agreement and Terms of Reference Review**

- 6.1 The review and alignment of the NTRLBU governance frameworks has been approved by NCC but has not yet been approved by TDC. TDC have indicated that this is not a priority and that they do not know when they will consider this.
- 6.2 In the meantime the original Terms of Reference (TOR) and Deed of Agreement (DOA) remain, and the conflicts between the documents also remain.

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- 6.3 Further review of the TOR and DOA is required as part of the process to consider the use of York Valley Gully's Two and three for landfill purposes. Changes to the DOA and TOR for Gully's two and three will also most likely require review of the commerce commission approval for the NTRLBU.

#### **7. Airspace, Leachate, and Stability Upgrade**

- 7.1 The airspace excavations along the southwestern wall of the landfill are complete, with initial airspace excavation works on the south eastern wall being undertaken. The filling of the landfill means that it is likely that some of the possible airspace gains will be lost due to being unable to excavate below the raised landfill surface.
- 7.2 The airspace development works have moved a significant amount of material which has subsequently been used in the construction of the upper stability buttress.
- 7.3 The construction of the upper buttress is completed except for the stormwater swale construction and the hydroseeding.
- 7.4 The upper leachate wells that form part of the lower buttress and leachate improvements are being installed at present.

#### **8. Odour Management**

- 8.1 NTRLBU had one odour complaint during this period.
- 8.2 The complaint came from the residential area to the west of the landfill. It happened during a very light easterly breeze and was during the time that NTRLBU was filling the most westerly section of the landfill.
- 8.3 The landfill filling area has now moved to the south eastern corner of the landfill, and it is less likely for odour issues to occur.
- 8.4 Overall odour complaints for the landfill remain low.
- 8.5 An independent odour assessor undertakes a two weekly assessment of the odour and noise around the landfill, and this confirms that odour is very infrequently experienced outside the landfill boundary.

#### **9. Stormwater Management**

- 9.1 Stormwater retention Pond 3 – (SRP3) is working well.
- 9.2 Review of the stormwater system data for the annual report preparation has shown that SRP3 doesn't clear up as quickly as the York stream after a rainfall event. This has resulted in some short periods where NTRLBU appear to have discharged slightly above the permitted level while the stormwater pond quality improves following the storm event.

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- 9.3 Despite the water quality from the stormwater system being significantly better than it has historically been, this discrepancy could constitute a breach of the resource consent.
- 9.4 NTRLBU has therefore implemented an automatic shutoff in the control system to close the discharge valve if the water quality goes outside permitted levels.

### **10. Litter Management**

- 10.1 There was one litter complaint during this period from a neighbour on the southern side of the landfill.
- 10.2 The new mobile litter catch fences are in use and are significantly reducing the amount of litter being blown around the landfill.
- 10.3 The exterior litter catch fence has not yet been completed.

### **11. Landfill Development Projects**

- 11.1 The tender for the York Valley Landfill Lower Buttress construction has been received and evaluated. A separate item on the NTRLBU meeting agenda covers this project.
- 11.2 The new landfill compactor procurement has been progressed and a preferred supplier has been identified. A separate item on the NTRLBU meeting agenda covers this project.
- 11.3 A temporary waste tipping and transfer facility has been considered for the York Valley Landfill. This system has been considered to implement best practice vehicle safety and personnel safety at the facility.
- 11.4 Negotiation is underway for a neighbouring piece of land to the York Valley Gully one landfill. This negotiation may allow NTRLBU to purchase the land for use as buffer area. If it can be purchased it will assist with fire risk reduction, improved clean stormwater control works, and for improved litter management.
- 11.5 The new NTRLBU website is now live. This is able to be updated by NTRLBU staff and we hope to be able to improve the dissemination of information in relation to the landfill using this website over the next few year. The site address is NTRLBU.org.nz

### **12. Operations and Maintenance Contract Procurement**

- 12.1 NTRLBU has chosen not to renew the operations and maintenance (O&M) contract and has instead chosen to issue a new tender for the service based on a revised contractual model. This outcome follows a Local Government Act 2002 section 17(a) review.

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- 12.2 A Registration of Interest has been released to the market as the first step of the procurement process, and this process is intended to award the O&M contract to the new contractor in the first quarter of 2024.

### 13. Emission Management

- 13.1 The NTRLBU gas management system has continued to operate effectively during this period. We have several short duration issues in the system over the period with one caused by a gas field pipe becoming dislodged and allowing air into the system. These were quickly identified and fixed.
- 13.2 A recent gas monitoring status report is shown below.

#### York Valley LFG Status

Overall Status: **Normal**

Project Name: NCC York Valley Landfill Gas – Collection and Destruction

Report No. 302023

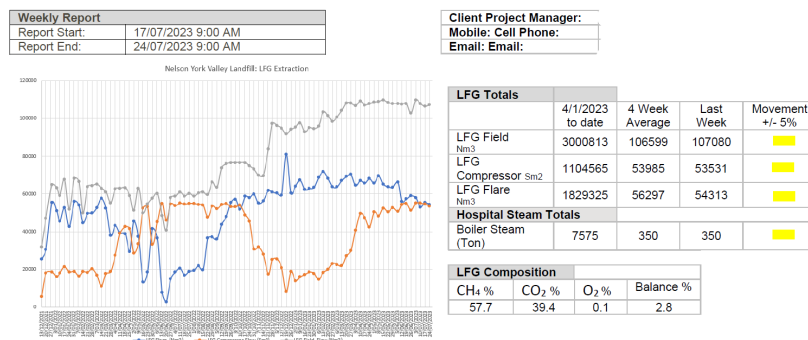


Figure 1 –Gas monitoring status report

- 13.3 The Stage 1 options review report was received regarding gas reuse options.
- 13.4 A Business Case and concept plan is being developed for the various reuse options. This is discussed in a separate report on the agenda.
- 13.5 This follows the NTRLBU boards request in September 2022 for additional detail on the options to be considered.

### 14. Emissions Trading Scheme Position

- 14.1 The Emission Trading Scheme (ETS) unit price decreased to \$41 at the end of June 2023.
- 14.2 The ETS unit price has since rebounded to ~\$65.

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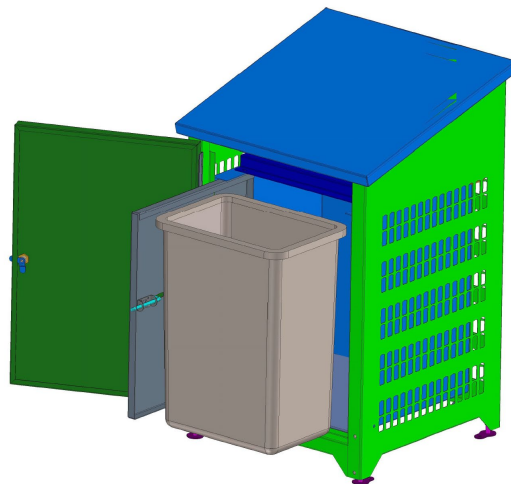
- 14.3 Both the auctions of Government units in 2023 have failed to reach the confidential reserve price meaning that no units were sold.
- 14.4 There is a lot of uncertainty in the ETS market at present.
- 14.5 The Lawyers for Climate Action NZ Inc. took legal action against the New Zealand Government and won their case.
- 14.6 The UEF filed for 2022 calendar year is 0.091 or 7,242 units which is significantly below what was budgeted for the 2023/2024 financial currently budgeted.
- 14.7 Our current holding of 155,569 units have an average cost of \$43.45 per unit.
- 14.8 Our current New Zealand Unit (NZU) holding and movements.
- |                               |         |
|-------------------------------|---------|
| Units on Hand 31 January 2023 | 155,569 |
| Units surrendered for 2022    | (7,242) |
| Balance after surrender       | 148,327 |
- 14.9 Treasury policy limit assuming UEF of 0.21 and budgeted waste volumes is 46,800 units.
- 14.10 Current holding is 101,527 units in excess of policy due to the reduction in the UEF achieved in 2022 and expected UEF in 2023.
- 14.11 The NTRLBU and the Councils have approved the sale of 50,000 NZUs and delegated the timing of the sale to the General Manager of NTRLBU.
- 14.12 At present it is proposed that NTRLBU do not sell until there is more understanding of the NZ Governments position on climate change actions, and how this might affect future ETS prices or the NTRLBU ETS liability.

### **15. Waste Minimisation**

- 15.1 There are three primary activities going on with waste minimisation for NTRLBU at present.
- 15.2 Battery diversion and recycling:
- 15.2.1 The number of small battery fire incidents at York Valley has remained low over the last two months although there is a continuing presence.
- 15.2.2 The cost of battery disposal is now expected to be in the order of \$40,000 per annum. NCC has expended the allowance for battery collection due to high battery recovery. The TDC council has not expended its full budget yet. NTRLBU has extended the purchase order to cover the additional collection costs.

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- 15.2.3 This funding will allow the region to maintain a focus on this, and hopefully this will further reduce battery fires and the risk of major fires occurring at the landfill.
- 15.2.4 Following discussions in the last few NTRLBU meetings the NTRLBU has now designed a battery collection container that can be placed in car parks and outside key retail locations. NTRLBU have commissioned the construction of three collection units to allow them to be fire tested.
- 15.2.5 The testing needs to identify how these systems act when the lithium ion batteries go on fire and to ensure that they prevent risk to personnel or property near to the battery reception system.
- 15.2.6 During discussions about this and after seeing the design of the battery reception unit NCC solid waste team have expressed interest in acquiring one for the Pascoe St transfer station.



*Figure 2: 3D drawing of the Community Battery Reception Unit which includes fire suppression and double containment for personnel safety*

- 15.3 NTRLBU waste minimisation activities:
- 15.3.1 NTRLBU is working with NCC and TDC on the review of the Joint Waste Minimisation and Management Plan (JWMMP).
- 15.3.2 A Solid Waste Analysis Protocol (SWAP) investigation was undertaken at York Valley landfill during February to assess the composition of waste for the region.

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- 15.3.3 Solid waste separation trial was undertaken in April 2023.
- 15.3.4 NCC and TDC arranged visits during the trial period including having building companies come to see the trial.
- 15.3.5 NTRLBU received a report on turning contaminated wood and sawdust waste into oil undertaken by the University of Auckland.
- 15.3.6 This project considered a particular technology (Hydrothermal liquification) showed that it is possible to divert wood and sawdust waste to reuse as an energy source.
- 15.3.7 The yield of Biooil (an oil or diesel like product) was as high as 45%

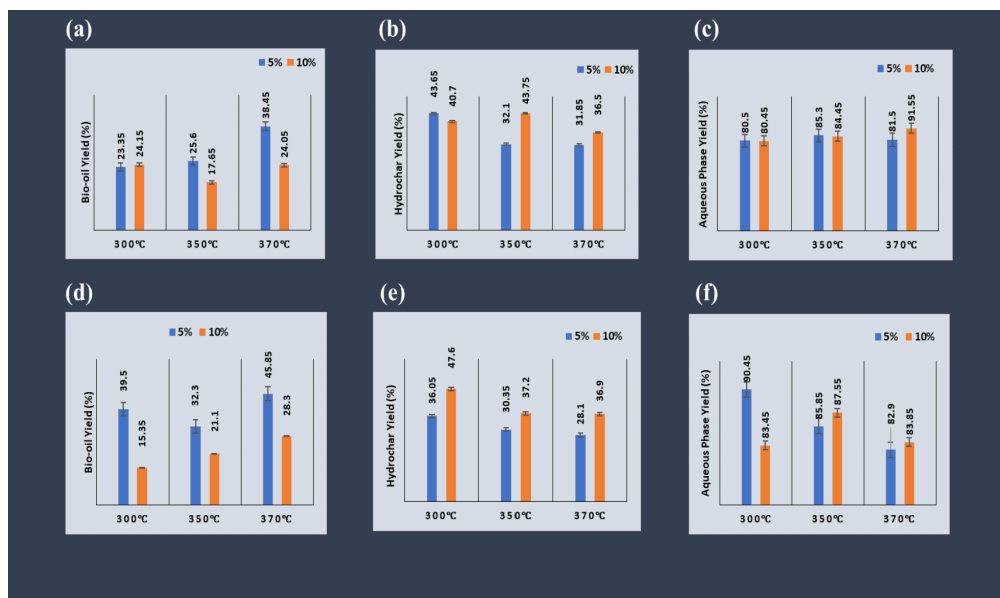


Figure 3. Yield of the recovered products from HTL of TS1 at 300, 350 and 370 °C and 30 min and 60 min. (a) and (d) bio-oil yields after 60 and 30 min, respectively; (b) and (c) hydrochar yield after 60 and 30 min, respectively; (c) and (f) aqueous phase yield after 30 and 60 min, respectively.

Figure 3: Biooil yield from contaminated wood waste under different conditions.

- 15.3.8 The study showed that the bulk of the Chromium, Copper and Arsenic in the contaminated wood remained in the hydrochar (solid fraction) of the waste. This is a key finding as most other processing technologies result in significant emissions in the gaseous or liquid phases.



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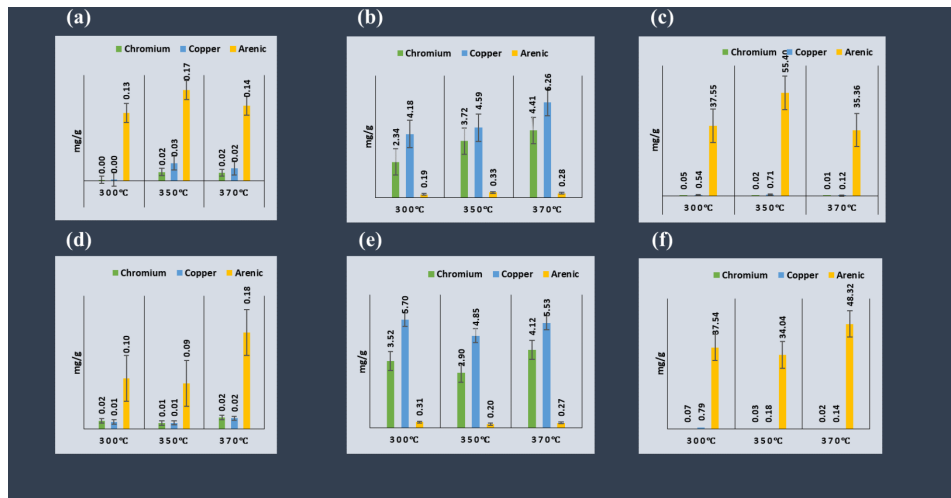


Figure 4. Distribution of chromium, copper and arsenic in the recovered products from HTL of TS1 (5%) at 300, 350 and 370 °C and 30 min and 60 min: (a) and (d) distribution of CCA in bio-oil after 60 min and 30 min, respectively; (b) and (e) distribution of CCA in hydrochar after 60 min and 30 min, respectively; (c) and (f) distribution of CCA in the aqueous phase after 60 and 30 min, respectively.

*Figure 4: Wood contaminant distribution during hydrothermal  
liquification under different conditions*

15.3.9 Following discussions with the NTRLBU in advance of the 2024 – 2034 Activity Management Plan, it was decided that the diversion and reuse of wood and organic material required broader regional involvement rather than being progressed by NTRLBU alone.

## 16. Landfill Waste Volumes

- 16.1 Landfill volumes remain high and have exceeded expected landfill volumes for the year to date.
- 16.2 Total waste tonnage for the 2021/22 financial year was 81,000 tonnes. Waste tonnage for 2022/2023 was lower (at 76,900 tonnes) for the 2022/23 year.

## 17. NTRLBU Finances

- 17.1 Income Account for the 2022/2023 full year.

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Nelson Tasman Regional Landfill Business Unit							
Income Account for the period to				30th June 2023			
	Actual Month	Budget Month	Actual YTD	% YTD	% Year	2022/23 YTD	Budget Annual
<b>Income</b>							
Landfill Fees	1,343,143	1,224,000	15,663,199	107%	107%	14,688,000	14,688,000
Other recoveries	32,046	25,000	258,553	86%	86%	300,000	300,000
Interest	-	-	35,283			-	-
<b>Total Income</b>	<b>1,375,189</b>	<b>1,249,000</b>	<b>15,957,036</b>	<b>106%</b>	<b>106%</b>	<b>14,988,000</b>	<b>14,988,000</b>
<b>Less Expenses</b>							
Staff and Administration	37,678	59,192	683,690	96%	96%	710,300	710,300
Interest	32,455	8,250	227,056			99,000	99,000
<b>York Valley Expenses</b>							
Landfill Operation	342,602	152,700	5,699,691	311%	311%	1,832,400	1,832,400
MFI waste levy	192,368	180,000	2,306,308	107%	107%	2,160,000	2,160,000
ETS Levy	33,829	246,750	(44,441)	-2%	-2%	2,961,000	2,961,000
Depreciation	69,692	97,110	586,032	50%	50%	1,165,332	1,165,333
Aftercare provision	179,090	9,833	296,877	252%	252%	118,000	118,000
Contingency and Advice	20,786	19,583	128,930	55%	55%	235,000	235,000
<b>Eves Valley Expenses</b>							
Holding Costs	-	208	-	0%	0%	2,500	2,500
Depreciation	26,099	1,289	22,021	142%	142%	15,467	15,467
Aftercare provision	48,746	7,417	137,222			89,000	89,000
<b>Total Expenses</b>	<b>931,147</b>	<b>782,332</b>	<b>10,043,386</b>	<b>107%</b>	<b>107%</b>	<b>9,387,999</b>	<b>9,388,000</b>
<b>Net Surplus before levy</b>	<b>444,043</b>	<b>466,668</b>	<b>5,913,650</b>	<b>106%</b>	<b>106%</b>	<b>5,600,001</b>	<b>5,600,000</b>
Local Disposal Levy	450,000	450,000	5,400,000	100%	100%	5,400,000	5,400,000
<b>Operating Surplus (Deficit) after Levy</b>	<b>(5,957)</b>	<b>16,668</b>	<b>513,650</b>			<b>200,001</b>	<b>200,000</b>
<b>Capital Income - PGF</b>	<b>0</b>	<b>0</b>	<b>0</b>				
<b>Nelson Tasman Regional Landfill Business Unit</b>							<b>200,000</b>
Income Account for the period to				30th June 2023			
	Actual Month	Budget Month	Actual YTD	% YTD	% Year	2022/23 YTD	Budget Annual
<b>Income</b>							
Landfill Fees	1,343,143	1,224,000	15,663,199	107%	107%	14,688,000	14,688,000
Other recoveries	32,046	25,000	258,553	86%	86%	300,000	300,000
Interest	-	-	35,283			-	-
<b>Total Income</b>	<b>1,375,189</b>	<b>1,249,000</b>	<b>15,957,036</b>	<b>106%</b>	<b>106%</b>	<b>14,988,000</b>	<b>14,988,000</b>
<b>Less Expenses</b>							
Staff and Administration	37,678	59,192	683,690	96%	96%	710,300	710,300
Interest	32,455	8,250	227,056			99,000	99,000
<b>York Valley Expenses</b>							
Landfill Operation	342,602	152,700	5,699,691	311%	311%	1,832,400	1,832,400
MFI waste levy	192,368	180,000	2,306,308	107%	107%	2,160,000	2,160,000
ETS Levy	33,829	246,750	(44,441)	-2%	-2%	2,961,000	2,961,000
Depreciation	(42,360)	97,110	473,980	41%	41%	1,165,332	1,165,333
Aftercare provision	179,090	9,833	296,877	252%	252%	118,000	118,000
Contingency and Advice	20,786	19,583	128,930	55%	55%	235,000	235,000
<b>Eves Valley Expenses</b>							
Holding Costs	-	208	-	0%	0%	2,500	2,500
Depreciation	6,150	1,289	54,270	351%	351%	15,467	15,467
Aftercare provision	(76,082)	7,417	12,394			89,000	89,000
<b>Total Expenses</b>	<b>726,516</b>	<b>782,332</b>	<b>9,838,755</b>	<b>105%</b>	<b>105%</b>	<b>9,387,999</b>	<b>9,388,000</b>
<b>Net Surplus before levy</b>	<b>648,674</b>	<b>466,668</b>	<b>6,118,281</b>	<b>109%</b>	<b>109%</b>	<b>5,600,001</b>	<b>5,600,000</b>
Local Disposal Levy	450,000	450,000	5,400,000	100%	100%	5,400,000	5,400,000
<b>Operating Surplus (Deficit) after Levy</b>	<b>198,674</b>	<b>16,668</b>	<b>718,281</b>			<b>200,001</b>	<b>200,000</b>
<b>Capital Income - PGF</b>	<b>0</b>	<b>0</b>	<b>0</b>				
<b>Net Surplus(Deficit)</b>	<b>198,674</b>	<b>16,668</b>	<b>718,281</b>			<b>200,001</b>	<b>200,000</b>

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*Figure 6 – NTRLBU Financial Summary for the 2022/2023 full year*

- 17.2 The finances show an overall surplus for the year to 30 June 2023 is  
~~\$718,513~~, ~~281,650~~.
- 17.3 This increased income has come from the increased volume of wastes being received compared to the projected volumes used to generate the budget and the significantly lower UEF factor achieved for the 2022 calendar year than assumed in the Business Plan.
- 17.4 Expenses for the full year up compared to budget for a range of items, which is expected due to higher volume of wastes, and consequently the higher Waste Disposal Levy and operational costs, and due to significant expenditure on airspace excavations and waste sorting, diversion, and improved compaction trials.
- 17.5 One item that is particularly high for the year to date is consultancy costs. These relate to work on operational consent applications, secondments for activity management support, and support for other items such as the Eves Valley leachate system investigations. While these costs are higher than budget, they are more than compensated by the additional revenue and lower ETS costs.
- 17.6 Balance Sheet as of 30 June 2023

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

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

Nelson Tasman Regional Landfill Business Unit			
Balance Sheet as at	30th June 2023		
	Current	Last month	June 2022
<b>Equity</b>			
Equity 1 July	8,361,760	8,361,760	5,614,037
Plus Net Income	718,281	519,607	2,747,723
<b>Closing Equity</b>	<b>9,080,040</b>	<b>8,881,367</b>	<b>8,361,760</b>
<b>Which was invested as follows -</b>			
<b>Current Assets</b>			
NCC Current Account	(2,402,259)	(3,577,195)	(1,654,993)
Debtors	781,246	38,205	756,094
<b>NZETS units</b>	<b>6,575,973</b>	<b>6,759,336</b>	<b>5,906,836</b>
<b>Total Current Assets</b>	<b>4,954,960</b>	<b>3,220,346</b>	<b>5,007,938</b>
<b>Fixed Assets</b>	<b>18,821,182</b>	<b>17,870,991</b>	<b>10,743,241</b>
<b>Investments</b>	<b>-</b>	<b>-</b>	<b>1,482,497</b>
<b>Total Assets</b>	<b>23,776,142</b>	<b>21,091,337</b>	<b>17,233,676</b>
<b>Less Liabilities</b>			
<b>Current Liabilities</b>			
Sundry Creditors	207,407	1,856,684	256,879
NCC Creditor	1,264,093	-	1,045,756
ETS Accrual	200,951	350,486	530,457
Aftercare provision - Current	501,700	295,449	537,735
<b>Total Current Liabilities</b>	<b>2,174,151</b>	<b>2,502,618</b>	<b>2,370,827</b>
Term Loan NCC and TDC	6,000,000	3,000,000	-
Aftercare provision - Term	6,521,951	6,707,352	6,501,089
<b>Term Liabilities</b>	<b>12,521,951</b>	<b>9,707,352</b>	<b>6,501,089</b>
<b>Net Assets</b>	<b>9,080,040</b>	<b>8,881,367</b>	<b>8,361,760</b>

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

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

<b>Nelson Tasman Regional Landfill Business Unit</b>			
<b>Balance Sheet as at</b>	<b>30th June 2023</b>		
	<b>Current</b>	<b>Last month</b>	<b>June 2022</b>
<b>Equity</b>			
Equity 1 July	8,361,760	8,361,760	5,614,037
Plus Net Income	1,554,313	519,607	2,747,723
<b>Closing Equity</b>	<b>9,916,072</b>	<b>8,881,367</b>	<b>8,361,760</b>
<b>Which was invested as follows -</b>			
<b>Current Assets</b>			
NCC Current Account	(2,402,259)	(3,577,195)	(1,654,993)
Debtors	781,246	38,205	756,094
NZETS units	6,575,973	6,759,336	5,906,836
<b>Total Current Assets</b>	<b>4,954,960</b>	<b>3,220,346</b>	<b>5,007,938</b>
<b>Fixed Assets</b>	<b>19,657,215</b>	<b>17,870,991</b>	<b>10,743,241</b>
<b>Investments</b>	<b>-</b>	<b>-</b>	<b>1,482,497</b>
<b>Total Assets</b>	<b>24,612,175</b>	<b>21,091,337</b>	<b>17,233,676</b>
<b>Less Liabilities</b>			
<b>Current Liabilities</b>			
Sundry Creditors	207,407	1,856,684	256,879
NCC Creditor	1,264,093	-	1,045,756
ETS Accrual	200,951	350,486	530,457
Aftercare provision - Current	501,701	295,449	537,735
<b>Total Current Liabilities</b>	<b>2,174,151</b>	<b>2,502,618</b>	<b>2,370,827</b>
Term Loan NCC and TDC	6,000,000	3,000,000	-
Aftercare provision - Term	6,521,951	6,707,352	6,501,089
<b>Term Liabilities</b>	<b>12,521,951</b>	<b>9,707,352</b>	<b>6,501,089</b>
<b>Net Assets</b>	<b>9,916,072</b>	<b>8,881,367</b>	<b>8,361,760</b>

Figure 7 – NTRLBU Balance Sheet as at 30 June 2023

### 18. NTRLBU Resourcing

- 18.1 This year has been a difficult year for the regional services staff.
- 18.2 The approval of additional staff was delayed, and the normal workload was exacerbated by rain events and the requirement to prepare Activity Management Plans for the two business units. It had initially been expected that only the NTRLBU would need to prepare an AMP due to the Three Waters reforms.
- 18.3 Despite the resourcing constraints the NTRLBU managed to implement most of its capital work programme, managed to continue to develop the landfill airspace, and has progressed the Gas Reuse options, and the AMP during the year.
- 18.4 This performance is a large part due to the stellar efforts on behalf of the two regional services Operations Managers, Brad Dixon and Mark Sutton, and the large team of consultants and contractors that have been

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

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

supporting the NTRLBU with the design, construction, and management of the operations and capital works.

- 18.5 The request for additional resources has recently been approved by both the NCC and TDC CEO's and the preparation of positions descriptions has commenced.
- 18.6 It is anticipated that advertising for additional staff, will be undertaken prior to September 2023, and it is hoped that engagement of the staff will be undertaken by the end of 2023.
- 18.7 The GM will be on annual leave for six weeks during September and October.
- 18.8 The landfill will be managed by the NTRLBU Operations Manager - Mark Sutton with support from the NRSBU Operations Manager - Brad Nixon.
- 18.9 NTRLBU has also asked TDCs solid waste team for additional support when required.

### **19. Conclusion**

- 19.1 NTRLBU operations and maintenance has started to recover from several performance issues that occurred in the early part of 2023 and a number improvement have been observed.
- 19.2 NTRLBU implemented the bulk of the capital works activities during the year, despite resourcing constraints and difficult weather conditions.
- 19.3 Overall, the year was a successful year for NTRLBU.
- 19.4 Changes have been identified to the operation at the landfill that will significantly improve the safety on site in relation to traffic and landfill machinery, and systems have been implemented to reduce the risks associated with working on the gas systems onsite.

### **Attachments**

Nil

Item 7: Nelson Tasman Regional Landfill Business Unit Annual Report 2022/2023



**Nelson Tasman Regional Landfill Business Unit**

**18 August 2023**

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<b>Report Title:</b>	<b>Nelson Tasman Regional Landfill Business Unit Annual Report 2022/2023</b>
<b>Report Author:</b>	<b>Nathan Clarke - General Manager Regional Sewerage and Landfill</b>
<b>Report Authoriser:</b>	<b>Alec Louverdis - Group Manager Infrastructure</b>
<b>Report Number:</b>	<b>R27861</b>

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**1. Purpose of Report**

- 1.1 To present the Nelson Tasman Regional Landfill Business Unit (NTRLBU) Annual Report for the 2022/2023 financial year.

**2. Recommendation**

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

- 1. Receives the report Nelson Tasman Regional Landfill Business Unit Annual Report 2022/2023 (R27861) and its attachments (749984575-1082 and 1995708647-51); and***
- 2. Approves the Nelson Tasman Regional Landfill Business Unit 2021/22 Annual Report (R27861) and its attachments (749984575-1082 and 1995708647-51) for presentation to Nelson City Council and Tasman District Council.***

**Recommendation to Nelson City Council and Tasman District Council**

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

Item 7: Nelson Tasman Regional Landfill Business Unit Annual Report 2022/2023

**1. Receive the Nelson Tasman Regional Landfill Business Unit Annual Report 2022/23 (27132) and its attachments (749984575-1082 and 1995708647-51).**

**3. Background**

- 3.1 The Annual Report outlines what has been achieved by the NTRLBU in the 2022/23 financial year and its level of performance against Key Performance Indicators.

**4. Discussion**

- 4.1 There were no lost time injuries and no medical intervention injuries during the year.
- 4.2 There were a number of significant health and safety near misses during the year that resulted in a leadership group being formed and meeting regularly. This group comprises NCC, TDC, NTRLBU and the operations and maintenance contractor management, and has a focus on implementing improvements to safety practices.
- 4.3 No infringement notices were received during the year.
- 4.4 One odour warning notice was issued by the Nelson City Council (NCC) environmental compliance team although this was not a breach of consent.
- 4.5 NTRLBU had a net surplus of **\$718513,281-650** for the 2022/23 financial year, excluding gains on revaluation.
- 4.6 This surplus results from a waste volume being more than estimated, a significant reduction in the Emission Trading Scheme Unique Emission Factor (UEF), and interest rate changes influencing aftercare provisions.
- 4.7 The York Valley landfill ran effectively during the year, with 76,900 tonnes of waste being received. This waste volume is less than the previous year due to a reduction in commercial and industrial wastes, and special wastes.
- 4.8 Safety on the landfill site was a key focus during the year. A significant number of construction vehicles were onsite for a large portion for the year.
- 4.9 Several safety audits were undertaken by NTRLBU using external parties, and significant focus was paid to ensuring that the contractors' operations were to a high standard, and that contractors complied with their documented plans. The audits showed a significant improvement in compliance following the various audits across the year.



Item 7: Nelson Tasman Regional Landfill Business Unit Annual Report 2022/2023

- 4.10 NTRLBU remains very constrained in terms of resource capacity and has engaged support from contractors and consultants to allow appropriate progress to be maintained.
- 4.11 Capital works has been successfully implemented during the year with six significant projects substantially completed. These projects include:
- The York Valley Gully 2 Access road
  - The Eves Valley all weather access upgrade and weighbridge installation.
  - The installation of the York Valley landfill upper stability buttress and stormwater swale.
  - The York Valley gas extraction well expansion project.
  - The York Valley gas ring main installation, and
  - The completion of the acquisition of the Hospital Boiler and landfill gas system.
- 4.12 The capital works programme successfully implemented over 90% of the budgeted works during the year.
- 4.13 The upper buttress was constructed during the 2022/2023 financial year, which has improved the landfill stability sufficiently to allow the waste filling setback to be removed. The filling setback was a 25m area at the front of the landfill that could not be filled due to stability concerns.
- 4.14 Landfill airspace calculations have been updated and based on the revised landfill footprint, the additional excavation at the rear of the landfill, and the buttress projects in progress, the airspace available for development has been increased to ~1.3 million m<sup>3</sup> an increase of ~400,000 m<sup>3</sup>.
- 4.15 Airspace is consumed at a rate of around 105,000m<sup>3</sup> per year at current compaction rates, giving a remaining volumetric life of around 12 years, and increase of 3 years from 2021/2022. The York Valley Gully one landfill consent expires in December 2024, giving a remaining life from a consenting perspective of 11.5 years.
- 4.16 Waste mass entering the landfill has remained above the projected rate with 76,900 tonnes of waste during the 2022/23 year.

**5. Performance Measured Against Business Objectives and Performance Measures**

- 5.1 The annual report includes a review of performance against the objectives described in the 2022/23 NTRLBU Business Plan.

Item 7: Nelson Tasman Regional Landfill Business Unit Annual Report 2022/2023

- 5.2 Performance measure targets and dates are set annually in the Business Plan, along with performance measures for projects identified in the Activity Management Plan.
- 5.3 Performance is reported to the Joint Committee and to the shareholding councils annually.

**6. Key successes**

- 6.1 Despite higher than budgeted landfill waste mass being received, NTRLBU developed additional airspace resulting in two additional year's airspace being available.
- 6.2 The 2022/2023 year included a significant amount of development for the York Valley landfill, particularly regarding stability, safety and landfill access.
- 6.3 NTRLBU successfully implemented greater than 90% of the budgeted capital projects.
- 6.4 Safety audits and safety improvements for traffic management at the landfill face resulted in a significant improvement for the facility, however incidents still occurred and further work is required.
- 6.5 While the work added to the operational costs, and some additional costs are expected, the facility is now reaching a high standard for safety management, with personnel risks being mitigated to a high level.
- 6.6 Improvements were completed for several issues discovered during 2020/2021 and 2021/2022, including gas collection and destruction improvements, leachate control improvement and all weather access improvements at Eves Valley landfill.
- 6.7 A new website was developed for the NTRLBU, and dashboards and an improved GIS system were developed, and improved fire management at York Valley landfill was commenced.
- 6.8 Litter management improvements were made, and research was undertaken on waste minimisation activities.
- 6.9 Several projects were started, and good progress was made during 2022/23 but some are yet to be completed.
- 6.10 These projects include the York Valley Access Road realignment, the York Valley Buttress and leachate upgrade. The remaining funding for these projects will need to be carried over into 2023/24.

**7. Financial Performance**

- 7.1 The NTRLBU Annual Financial Statements for the year ended 30 June 2023 are appended to this report.

## Item 7: 7 Nelson Tasman Regional Landfill Business Unit Annual Report 2022/2023: Attachment 1

### Item 7: Nelson Tasman Regional Landfill Business Unit Annual Report 2022/2023

#### 7.2 In summary:

- 7.2.1 Total revenue was greater than budget with a revenue of \$15,957,036 compared to budget of \$14,988,000.
- 7.2.2 Additional revenue of \$258,533 was received principally from gas sales for the year.
- 7.2.3 Total expenditure was above budget with total expenses of \$15,238,755,443,386 compared to a budget of \$14,788,000.
- 7.2.4 ETS expenses were significantly below budget, with NTRLBU recording an ETS gain of \$146,143,441 for the year due to the very low UEF achieved compared to the ETS accounting provision made during the second half of the 2021/2022 financial year.
- 7.2.5 NTRLBU had a surplus, excluding revaluation gain for the year of \$718,513,281,650.

### 8. Conclusion

8.1 The 2022/23 year has been a successful year for the NTRLBU.

<b>Important considerations for decision making</b>
<b>Fit with Purpose of Local Government</b>  The NTRLBU is a joint committee constituted pursuant to the provisions of Schedule 7 to the Local Government Act 2002 and contributes to the four Local Government well-beings of social, economic, environmental, and cultural.
<b>Consistency with Community Outcomes and Council Policy</b>  Our infrastructure is efficient, cost effective and meets current and future needs.
<b>Risk</b>  The risk of not approving the annual plan is that the Councils will have no annual report from the NTRLBU actions for the 2022/23 financial year
<b>Financial impact</b>  This report has covers funding approved by the Councils and comments on costs as outlined in the annual business plan and long-term plans.
<b>Degree of significance and level of engagement</b>

## Item 7: 7 Nelson Tasman Regional Landfill Business Unit Annual Report 2022/2023: Attachment 1

### Item 7: Nelson Tasman Regional Landfill Business Unit Annual Report 2022/2023

<p>The NTRLBU is a Joint Committee of the two Councils and its activities are included in the Long-term Plans and Annual Plans of each Council. Consultation is undertaken by both Councils in the preparation and adoption of these plans.</p>
<p><b>Climate Impact</b></p> <p>A key feature of the NTRLBU capital programme is the ability to implement systems to reduce greenhouse gas emissions and environmental issues. The annual report outlines the achievement from these actions.</p>
<p><b>Inclusion of Māori in the decision making process</b></p> <p>No engagement with Māori has been undertaken in preparing this report but iwi have representation on the Board.</p>
<p><b>Delegations</b></p> <p><i>Responsibilities delegated to the NTRLBU</i></p> <p>14. The Councils agree that responsibility for all management and administrative matters associated with the operation of the Joint Committee shall be delegated to the NTRLBU. The NTRLBU may without the need to seek any further authority from the Councils:</p> <ul style="list-style-type: none"><li>(i) operate a bank account for the NTRLBU.</li><li>(ii) enter into all contracts necessary for the operation and management of the NTRLBU in accordance with the approved budgets and intent of the Business Plan and the 'Procurement guidance for public entities' as produced by the Office of the Auditor General.</li><li>(iii) authorise all payments necessary for the operation and management of the NTRLBU within the approved budgets and intent of the Business Plan.</li><li>(iv) do all other things that are necessary to achieve the objectives as stated in the Joint Waste Plan, Long Term Plan, Activity Management Plan or Business Plan approved by the Councils, including setting terms of trade and acceptance criteria for waste to landfills.</li><li>(v) comply with applicable Health and Safety legislation, and standing orders and administrative requirements of the administering Council.</li><li>(vi) comply with all regulatory requirements concerning operation of the regional landfill facilities.</li></ul>

Item 7: 7 Nelson Tasman Regional Landfill Business Unit Annual Report 2022/2023:  
Attachment 1

Item 7: Nelson Tasman Regional Landfill Business Unit Annual Report 2022/2023

**Attachments**

Attachment 1: 749984575-1082 - NTRLBU Annual Financial Statements 2023

Attachment 2: 1995708647-51 NTRLBU Annual Report 2022-2023

R27861

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