



Photo: Screenshots of the heavy redaction provided to the Public from the report used to inform Councillors regarding the Smooth Hill landfill decision

LANDFILL TO INCREASE RATES BY \$

REDACTED

Submission to the Dunedin City Council

We, the South Coast Neighbourhood Society, urge Council to pause any further progress on Smooth Hill landfill until key questions are answered transparently. Based on significant gaps and redactions in official reports, we cannot make a fully informed submission — and we question whether Councillors have been able to make an informed decision either.

OUR CONCERNS

Lack of Transparency:

- Heavy redactions prevent the public from understanding the true cost, risks, and viability.
- Responses from DCC Staff to date have been obtuse and lead us to believe Councillors have also not been given the full picture.
- Without full disclosure, it is irresponsible to proceed with a project of this magnitude.

Financial Risk and Poor Track Record:

- The DCC’s waste management operating budget blew out by 43% in 2023/24.
- Waste capital project costs skyrocketed 245% over budget (\$3.5m budget → \$12.1m spent).
- Given this, how can ratepayers trust the DCC to deliver a \$92 million landfill on budget?

Strategic Risk to Dunedin’s Economy:

- Smooth Hill’s proximity to Dunedin Airport (<5 km) poses a real bird strike risk.
- Loss of Air New Zealand services would devastate Dunedin’s economy. Are Councillors confident that heightened bird strike risk will not impact the Airline’s commitment to Dunedin?

Fundamental Flaws in the Business Case:

Given there is not yet a published landfill management plan, do projected operating costs fully account for strict consent conditions imposed to manage the inherent environmental risks of the site?

- Removal of 90% of food and organic waste.
- Bird control measures (including full-time shooters).
- Emergency landfill shutdowns if bird numbers exceed 20 birds.
- Restrictions on hazardous waste.
- Potential loss of commercial waste customers.

Better Alternatives Exist:

- AB Lime already operates a compliant facility in Winton at lower cost.
- Were formal competitive tenders sought from AB Lime and others?
- Why were Councillors and SCNS members offered trips to Kate Valley in Canterbury but not to visit AB Lime? Have DCC staff actually visited AB Lime in their business case development?
- Were proposals from private waste companies for 50:50 partnership at Smooth Hill unattractive, or were private partners not interested due to commercial unfeasibility of the site?

Poor Alignment with Waste Minimisation Strategy:

- Building a new landfill while supposedly trying to reduce waste is contradictory.
- DCC staff are modelling Smooth Hill on Kate Valley in Canterbury, which accepts 300k tonne of waste per year, Dunedin household waste estimates are only between 35k-48k.
- UNLESS the underlying plan is to import waste from other regions → is the Dunedin City Vision the "Rubbish Capital of the South."

Questions Councillors Must Ask Before Proceeding:

- Have you personally reviewed the full (unredacted) business case and financial model?
- Are you confident that Smooth Hill’s operational costs, under strict consent conditions, have been accurately budgeted?
- What contingency plans and costs exist if the landfill must close temporarily?
- What would be the impact on rates if commercial waste volumes drop to "municipal-only" levels?
- Has Air New Zealand formally confirmed that the proximity to the landfill is acceptable to their risk models? Do they have to be notified if there is an emergency landfill shutdown? What would be their response in the case of a bird strike incident?
- Has Council independently verified AB Lime’s offer?
- Are Councillors willing to accept responsibility if mismanagement of this project results in major rates rises and service reductions elsewhere?
- Kettle Park has now been raised as requiring waste relocation and a key element in the decision. Does the level of contamination in Kettle Park waste actually fit the waste acceptance criteria of Smooth Hill?

Councillors, to proceed with Smooth Hill carries massive financial, environmental, and strategic risks. We trust that as elected Councillors, you will undertake all due diligence before making such an enormous decision.

If any of the information in this submission is new to you, we implore you to seek clarification.

Submitted by, The South Coast Neighbourhood Society

LANDFILL POTENTIAL TO INCREASE RATES BY 16%

Our analysis suggests Smooth Hill will operate at a significant annual loss — requiring substantial ongoing rates increases.

	Green Island (68k tonne) (1)	Smooth Hill (47k tonne) (2)	Export (35k tonne) (3)
INCOME			
Income from rates (4)	\$4,768,000	\$4,768,000	\$4,768,000
Income from commercial & gate (5)	\$16,356,000	\$11,449,200	
General rates & internal charges	\$2,122,000	\$2,122,000	\$2,122,000
	\$23,246,000	\$18,339,200	\$6,890,000
CAPITAL COSTS (6)			
Depreciation p.a 35 yrs	\$0	\$2,628,571	\$0
Interest - 35 years	\$0	\$2,414,868	\$0
	\$0	\$5,043,439	\$0
OPERATING COSTS			
Staff & suppliers (7)	\$24,620,000	\$32,886,250	\$8,605,000
Gate price costs - export waste (8)			\$7,000,000
Waste Levy		\$2,835,840	\$2,100,000
Other	\$1,689,000		
	\$26,309,000	\$35,722,090	\$17,705,000
Deficit Per Annum (10)	-\$3,063,000	-\$22,426,329	-\$10,815,000

Smooth Hill Per Tonne	Export Per Tonne
\$101	\$136
\$242	
\$45	\$61
\$388	\$197
\$56	\$0
\$51	\$0
\$107	\$0
\$696	\$182
\$0	\$200
\$60	\$60
\$756	\$442
-\$474	-\$245
Rates increase - 8% to 16% (9)	
\$ 422.99	\$ 211.90

(1) Disclosed volume of waste in the DCC 2023/24 Annual Report
(2) Disclosed 2030 target waste in DCC/2023/24 Annual Report
(3) Non commercial household waste
(4) Income from rates in DCC 2023/24 Annual Report
(5) Income adjusted to 70% of Green Island due to reduced target tonnage of 47,000. Believe this is best case, due to risk of commercial operators shifting to other landfills because of higher costs of Smooth Hill
(6) 35 year depreciation and loan term. Interest 4.5% amortised at reducing principal over life of loan.
(7) Assume 25% more than operating Green Island which was \$24,620,000 in 2024. Export Operating costs based on kerbside collection only and trucking to Winton. Referenced the Australian Local Government Waste Report 2023 (\$110-150 per household) and allowed \$53 per tonne for transport (Future Dunedin).
(8) Estimated average gate price of \$200 based on survey of 9 operators across NZ.
(9) Average Dunedin household rates are \$2651, an increase of \$422.99 is a 16% increase.
(10) Green Island deficit is the Actual operating loss recorded in the DCC 2023/24 Annual report